"CLASS RELATIONS IN THE POLITICAL-ECONOMY OF TODAY'S WORLD SOCIETY."

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This is a philosophical and empirical study of 'human social inequalities', as they have crystallized into the division of the world into two sectors - on the one hand, a Northern sector of rich and industrially developed countries in North America, Europe (including the Socialist East), Japan, and Oceania, and on the other hand, a Southern sector of relatively poor and underdeveloped countries in Africa, Asia and Latin America; in other words, the North-South Dichotomy. The study conceives a 'modern world society of which, transnational and interdependent relations forged among the populations of the Earth, via the spread and global domination of the 'capitalist mode of social formation', are essentially asymmetrical in nature and processes.

The general Thesis is that, the domestic underdevelopment and international dependency of the Third World countries (or the South), are fundamentally, functions of 'Class Relations', as these relations have been historically generated and structurally maintained by the World Economy of Capitalism. A central proposition of this Thesis is the contention that, both the current circumstances of the Northern and Southern countries are twin moments of one historical process -- the globalization of 'capital' -- and that the 'ruling elites' or dominant classes of the various countries in the world system, have vested interests in the system's structured relations and, act in ways which reinforce the intersubjective conditions of the North-South Dichotomy.

The philosophical part of the Study is concerned with two main issues -- (i) the question of 'objective social science' and how it has affected the progress of International Theory in general, and Development Theory in particular, with reference to the understanding, explanation and planning of Third World Development; and (ii) the role that Development Theory, as influenced by the doctrine of Modernism', has played in the stunting of Third World Development.
On these issues, critical attention is focussed on the 'boundary dispute' between Realism and Behaviouralism, and the 'scientism versus consciencism' controversy between Behaviouralism and post-behavioural writers. These disputes are examined within the framework of the Naturalist-Humanist debate between Positivists and Hermeneuticists, on the basis that, the 'action' - 'system' dichotomy resulting from the Realist-Behaviouralist controversy, is a derivation of the orthodoxies which characterise the ideational conflict between positivists and hermeneuticists.

These philosophical concerns of the Thesis appear in Part Two, and the conclusions drawn are that, first both the paradigms of Realism and Behaviouralism (at the level of International Theory), as well as the approaches of Positivism and Hermeneuticism to 'social science', lack the epistemology and methodology to deal adequately with the 'intersubjectivity of social phenomena', and that a case can be advanced in this context, for 'class analysis' as guided by the Marxian principles of 'dialectics' and 'materialism'; second, that contemporary theories of development, as influenced by the doctrine of modernism, have equally failed to come to grips with the intersubjective conditions (historical and structural) of Third World underdevelopment vis-à-vis the development of the Northern industrial countries.

Part One of the Thesis is basically a 'descriptive account of the features of the political-economy of modern world society'. The significance of the exposed features is mainly that of 'how they appear to observation'. Why and by what processes these features have developed?, is the question that this Thesis attempts to answer, in Part Three.

Part Three of the Thesis, therefore, contains the substantive defence of the major propositions of the Study. The theoretical frame of reference is Karl Marx's Materialist Conception of History, and the Marxian analysis of Capitalism. Critical attention is paid to contemporary theories of development and their explanations of Third World underdevelopment.
of Capitalism. Critical attention is paid to contemporary theories of development and their explanations of Third World underdevelopment. It is contended that, these theories have as much contributed to the persistence of the circumstances of the Third World countries, as have the structural relations of the world economy of Capitalism which determine the inability of the Third World countries to secure favourable transfers of capital and technology, to facilitate their developmental efforts. The analysis embraces the roles that the core elements of the global system (the Northern industrial countries, International Institutions, Transnational Corporations, and the ruling elites of all the countries of the world), have played, and continue to play, in the peripheralization of the Third World.
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The two most perennial and controversial issues in Social Sciences today may be said to be those of:

a) The Naturalist-Humanist controversy over the question of 'appropriate mode of analysis of social phenomena'; and

b) The debate over the 'root-causes of the Third World's growing poverty and underdevelopment, vis-a-vis the affluence of the industrially-developed countries of North America, Europe, Japan and Australasia'.

To deal with these two issues under one Thesis, as this present study attempts, is to engage an ambitious enterprise fraught with the risks of overgeneralisation and, the tendency toward irrelevance or long-winded arguments. This is because such an enterprise straddles two apparently independent disciplines - Philosophy of Social Science and Development Studies - with subject matters that hardly ever coincide, except in terms of such schematic theoretical frameworks as would be attempted in this Essay. And yet the relationship between the two issues is not tenuous at all, and indeed may be found to be very fundamental. For relative to the pertinent and perennial question of 'the epistemological relevance of a social theory', with respect to the 'objectivity' of method and propositions, as well as the usefulness of findings in 'problem solving', there arises an imperative need for the critical examination of contemporary theories of Third World Under-development, from the perspective of the Naturalist-Humanist Debate. In this respect, neither the enterprise nor the tasks involved are futile, for the following additional reasons.
Firstly, I am inspired by Prof. Thomas Kuhn's claim that 'different methods entail different substantive conclusions', to argue a case for interdisciplinary (or adisoiplinary) perspectives in Social Sciences, especially the adisoiplinary study of the phenomena of economic growth and socio-economic development. Such a perspective is imperative, when it is realised that the misconceptions, misinterpretations and ensuing controversy about Third World underdevelopment, could largely derive from 'ideational conflicts' that are as disciplinary-biased, as they are ideologically and culturally based. In this context, the relevance of the Naturalist-Humanist controversy over social sciences methodology, to the theory of Development and Third World Underdevelopment, lies in the following epistemological fallacies which, in my opinion, characterise most contemporary Social and International Theories.

i) It is unrealistic to study and analyse the 'intersubjective reality and dynamics of society', with such dichotomised constructs like 'action' or 'system' which exclude or down-play each other's role, at the level of causal theory. This implies the indictment of Positivism and Hermeneuticism in Social Sciences, in so far as these traditions have been responsible for this ontological dichotomy.

ii) In as much as Positivism (or empirical science) interprets the principle of 'Objectivity' to the point of rejection of untestable analytic propositions (as metaphysics), it is also unscientific to eschew 'Normativism' (in the sense of prescriptive analysis), in the study of social problems like poverty, starvation, inequalities and the underdevelopment of the greatest proportion of the human-race, in a modern world of unprecedented affluence and scientific/technological progress. The 'scientific duty' is as much (if not more) to the advancement of universal human progress, as it is to disciplinary purity.
Secondly, despite the fact that the subject of 'socio-economic development' has attracted the attention of virtually all the Social Sciences in recent years (with Economics Sociology, Social Psychology, Political Science, International Theory, and even Mathematics all providing varying interpretations), there has not been a complementary progress in the constructive development of 'development theory and practice'. This is mainly because, very few of the contemporary theories (whether purely disciplinary or interdisciplinary), have been based on analytic constructs that embrace the historical and structural dimensions of the development process, as well as unite the concepts and findings of the various disciplines in a general theory of development and underdevelopment. In most cases, contemporary development studies and theories have tended to treat the development of the East and West industrial countries, and the underdevelopment of the Third World countries, as two distinct phenomena. It is my contention that the two are empirically and theoretically inseparable in the sense that, they are two dimensions of one historical process, i.e., the globalisation of the Capitalist mode of production and class relations. In this case, neither the development of the Northern industrial countries, nor the underdevelopment of the Third World countries, can be understood or explained in isolation from the other. The failure of contemporary theories to appreciate this, is a function of the following theoretical fallacies.

1) That the 'development' of the Northern countries occurred as a result of their achievement of certain specific preconditions or prerequisites upon which, the whole development phenomenon is historically and 'lawfully' predicated, and that the current underdevelopment of the Third World countries is explicable, in terms of the relative absence of these preconditions of development. This implies a 'unilinear conception of human-social progress' in which,
the empirical categories of a particular social system are elevated to the status of a 'natural and universal law'. It is also a perspective that conceives development and underdevelopment in purely 'subjective' terms (with reference or emphasis on the 'actor's role' in promoting the conditions of development), without adequate attention to the 'objective conditions of systemic imperatives' - i.e. the historical and structural circumstances attending any one particular developing or underdeveloping country. This is another meaning of the indictment that most social theories (and developmental ones in particular) lack 'intersubjective framework' of analysis.

ii) In the exceptional cases of "Dependencia" and "Neo-Colonial" theories of Third World underdevelopment in which, the causal analyses incorporate the role of international Capitalism, there is still a tendency towards the theoretical circumscription of reality; the result of overemphasis on 'objective conditions' like the colonial legacy and the structured inequalities in international economic and political relations. This implies the relative absence of the intersubjective construct of 'class relations', in these contemporary theories that challenge the conventional thesis of 'Modernism' for its overgeneralisation of the social categories of the Northern countries. In which case, these theories have not progressed very much, beyond the old-Leninist theory of Imperialism in which, the role of the 'capitalist state' in the underdevelopment of the Third World, overshadows those of private international corporations, international institutions and the domestic classes of the Third World countries.

Beyond these considerations, I cannot pretend that any of the propositions which provide the raison d'être of this Thesis has originality, in the sense of being introduced in the literature for the first time. In most
cases, more eminent writers have anticipated the propositions involved in this Thesis. In this context, my inspiration has come from the thesis, articles and books, written by such commentators as Andre Gunder Frank, Samir Amin, Immanuel Wallerstein, Walter Goldfrank, Ralph Pettman, and numerous others. I am also very grateful to Dr Brownhill of the Department of Philosophy, University of Surrey, Guildford, for his critical comments and direction which have made the development of my disparate ideas into an intelligible essay, possible. I appreciate the tolerance of the Ag. Head, Department of Sociology, University of Cape Coast, Ghana, in the combination of my academic duties in the Department with this Research Study. Finally, I am also indebted to Miss Mandy Jaquiss for her typing services, and for the photocopying of the Thesis.
INTRODUCTION

THE NATURE AND OBJECTIVES OF THIS STUDY

This is a study of the Political-Economy of Today's World Society, as it determines the socio-economic inequalities among mankind, and structures the peoples and nations of the globe into, on the one hand, a privileged core of affluent and developed societies, and on the other hand, an under-privileged periphery of poor and relatively under-developed societies. In broad terms, the study aims at the sociological exposition of the factors and forces responsible for such material/cultural inequalities, with particular reference to the structured relations between the Northern industrial countries of North America, Europe (including the Socialist East) Oceania and Japan, on the one hand, and the Southern non-industrial and industrialising countries in Africa, Asia and Latin America.

The forces and factors responsible for this North-South Dichotomy, are presented in this Thesis, as the intersubjective conditions of the Third World's underdevelopment, vis-a-vis the industrial-development of the Northern countries. They also provide the unit of analysis of the whole phenomena of human social inequalities and, the structure of the political-economy of world society, under the concept of class relations. Class relations are viewed as 'universal phenomena' - they characterise the social structures of virtually all the countries in the world today (developed or underdeveloped, capitalist or socialist), as well as the relations between these countries. More than this, class relations are advanced and defended in this Thesis, as the fundamental force in the determination of the North-South Dichotomy. In broad outline, the major
point of consideration in this Study are as follows.

1. Level of Analysis

The study conducts the analysis of both the socio-economic inequalities among mankind and the North-South Dichotomy, at a level of analysis at which, the interactions among the various populations and nations of the globe, are seen as creating a World Society. The concept of 'world society' denotes a complex-conglomerate system of transnational relations. That is, it refers to a global system of human relationships (interpersonal and institutional) in which, a process of structural isomorphism operates between the system's domestic and international dimensions. Whereas the world system is constituted of autonomous political units (nation-states) each of which jealously maintains its territorial integrity and sovereignty, vis-a-vis others, the domestic phenomena distinguishing each such unit, do not, however, exhaust themselves at the point of established geo-political boundaries; there is a tendency for domestic patterns of interaction to spill-over onto the global plane, just as the interaction identified as 'inter-national' tend to affect the relationships within the domestic arenas.

The component units (or actors) of the complex-conglomerate system of transnational relations are as diverse as the patterns of interaction between them. They include such distinct entities as nation-states (the legally sovereign and politically autonomous actors), a multiplicity of non-territorial based entities like International Governmental and non-Governmental Organisations (IGOs and INGOs), and Transnational Corporations (TNCs); and less distinct associations of Religious, Ideological, Revolutionary, etc., activities. Not only do the interactions and activities of the non-territorial based actors have as much
international significance, as those of their nation-state counterparts, but some of these actors (in particular the TNCs) tend to possess the resources and the capacity to participate in, and influence the course of world affairs, to a far greater extend than the participation and influence of those traditionally accredited with such prerogative and capability - some of the less economically and politically viable nation-states in the Third World. In addition to these actors, there are interpersonal and intergroup relations, of low-political impact but socio-economically and culturally significant kind, which contribute to the parameters of the global system - example, transnational 'ways of dressing, eating, entertainment etc.,'

With this level of analysis, the basic question that I ask and attempt to answer in this Thesis, is simply this: "What are the historical and empirical factors which have created and maintain the condition that, in this modern world of unprecedented scientific and technological achievements, impressive medical advances, and exceptionally high standards of material and cultural life, well over three billion people (representing three quarters of the human-race) are forced to live and survive under the most inhuman conditions of poverty, starvation, malnutrition, illiteracy, acute social-conflict and general under-development, while a minority of less than a quarter of the human-race enjoy the products and advantages of the modern world, in abundance?". In the examination of this basic question, the following is the theoretical position.

2. The Theory

Today's world society, as it finds expression in transnational relations, and is underlaid by various forms of human interdependence, has a
political and socio-economic structure that is basically one of inequality of populations and nations, relative to the production and distribution of material and cultural life. The nature of this inequality is class stratification, which is a universal phenomenon, in at least two senses.

Firstly, virtually all the countries of the modern world maintain socio-economic and political structures in which, unequal patterns of wealth and/or income distribution have created enclaves of privileged and underprivileged social groups. Secondly, the class relations created by such unequal distribution of material/cultural life, take on a global significance, with the externalisation of domestic class dynamics into world affairs. That is, it is not only individuals and groups who have become so segregated, but the countries of the world have been divided into rich and poor nations, as a result of the coalescence of the class interests of dominant national elites. Thus, in this theory of the dominant role that class relations play in the structure of the political-economy of world society, it is argued that the domestic underdevelopment and international dependency of the Third World countries, are a function of the Capitalist mode of social formation of which, the institution of class is an organic part. This implies that the political-economy of today's world society is essentially a system of transnational production, distribution and accumulation relations, dominated by capitalist class relations.

3. Propositions

The contention that the current underdevelopment and dependency of the Third World countries, derive from the class relations of Capitalism, is advanced and defended with the following propositions.
Proposition I

Class society and class relations have been the most significant features of the historical growth of advanced forms of production of material and cultural life, of almost all developed countries today. This historical fact is not a natural condition of human material/cultural progress, but the result of an artificial imperative — the law of development of internal contradictions in the productive relations of human beings, which is a function of the distortion of the communal productive relations, that once characterised the natural economy of primitive communism, by progressive systems of commodity-market production and individualistic social relations and inter-group power struggles. This proposition is explicable in terms of Karl Marx's Materialist Conception of History; it does not, however, assume any unilinear process of progression in the productive relations of human beings.

Proposition II

Class relations and class society are not only historical and universal facts (in terms of their determination of the patterns of socio-economic and political relations within and between countries); but their pervasiveness must be attributed to a state of affairs in human productive relations in which, the conflict of class-interests causes the transformation of the pay-off matrixes in social relations, from positive-sum into zero-sum. So long as the segregated social classes perceive their respective objective conditions to be functions of each other, the relations between them would be essentially those of competition to, either maintain acquired privileges, or to improve upon unsatisfactory conditions, at the expense of the other class(es).
Proposition III

Given the dominant role that class relations play, in the stratification of people and nations, relative to the world's production of material and cultural life, and in view of the structural isomorphy that 'transnational interdependence' has created among mankind, it can be argued that the current underdevelopment of the Third World countries, is a function of a global production-accumulation network in which, class exploitation is the most decisive factor. This proposition has the following hypothetical implications that this Thesis aims to substantiate with both logical and empirical arguments.

(a) The Political-economy of today's world society is dominated by a world system of Capitalism. This system determines that, the transnational interdependence so engendered by the increased human-social interaction in all aspects of social activity, should be one of asymmetrical relations between privileged and underprivileged peoples and nations. The structure of the world system of Capitalism shows the following patterns of relationship.

i) A power-hierarchy in which participation in international decision-making is based, not necessarily upon the formal politico-legal status of actors (such as the prerogatives of the nation-state), but essentially upon the economic resources at the disposal of each actor.

ii) A system of global material/cultural relations in which, a production-accumulation network defines core and peripheral elements, with the core elements relying on the continuity of vestiges of 'colonial domination' and neo-colonial practices to exploit peripheral elements.

iii) The domination of the political-economy of the world society by transnational elites, via the collusion and defence of 'ruling-class vested interests'.

(b) One of the most salient factors of the North-South Dichotomy is that, the political leaders of the Southern countries fail to realise the 'futility of achieving the socio-economic development of their countries', within the structured options of the world system of Capitalism. If the vestiges of colonial exploitation and the structured relations of the contemporary world economy constitute the objective conditions of Third World underdevelopment, then the consciousness and subsequent response of the Southern countries to these facts, constitute the subjective conditions.

4. The Question of Methodology

From the perspective of these theoretical propositions, this Thesis contends in its epistemological stance, the following methodological convictions.

i) The appropriate framework of analysis of the dynamics of the phenomena so enumerated, must be one that enhances the application of historical and structural perspectives.

ii) The mode of analysis, appropriate in this framework, must be inter-disciplinary - i.e., it should be based upon an approach that employs concepts which enable the theoretical concepts and findings of the various social science disciplines, to be united in a comprehensive paradigm. In this context, I am convinced that the construct - class relations - employed within the historical-structural framework, and highlighting the interplay of such ubiquitous social currents as power, inequality, conflict, consciousness and cooperation, in human social relations, performs this epistemological function, far better than those currently in use in the discipline of International Relations.
iii) This implies the indictment that, the current paradigm in International Relations, especially those of the contending Realist and Behaviouralist schools, have failed to provide proper understanding and accurate explanation of the dynamics of the world system. The exclusive emphasis on 'action' (in the Realist's state-centric model) or 'system' (in the Behaviouralist world society model) can only lead to the unscientific division of the intersubjective reality of phenomena, and the reification of the aspects of the phenomena so segregated.

iv) Invariably, the mode of analysis problem in the study of world affairs and the subject of Third World underdevelopment, as enunciated in the Realist-Behaviouralist methodological controversy, flows from the perennial debate on 'objectivity' between Positivists and Hermeneuticists, in the Philosophy of Social Science. It is a basic contention of this Thesis that, the substantive issues involved in these two interrelated controversies have been lost in the 'theology of the contending methodological stances', and it is about time that a demystification of the whole controversy over appropriate social science methodology, as it especially affects the subject-matters under consideration here, is attempted.
PART ONE

WORLD SOCIETY - A PARADOX OF TRANSNATIONAL RELATIONS AND INTERNATIONAL ASYMMETRICAL RELATIONS

"In an era that has launched space exploration, what has already been known by astronomers for some centuries has become a property of public consciousness - namely, that the Earth is a small and fragile island of life in a vast and inhospitable expanse of space. On that Earth man has, in recent centuries, woven an intricate pattern of global interactions; it is to the totality of those interactions that the title of "World Society" belongs".

George Modelski - "PRINCIPLES OF WORLD POLITICS", Free Press N.Y. 1972

"There can be little doubt that a visitor from another planet dropping into our world would take a very jaundiced view of man's claim to be regarded as homosapien. Where is the wisdom in a species that has destroyed its sense of well being and put its entire economic, financial and social structure in mortal peril by insisting on abusing a simple device that it has invented to facilitate exchange of goods and services?"

C. Gordon-Tether - "FINANCIAL TIMES", January 1975
CHAPTER ONE

THE GLOBALIZATION AND INTERDEPENDENCE OF MANKIND

The reality of a "world society" is today found, in not merely the international aspirations of academists, diplomats and statesmen, but more in the intricate web of transnational relations spanning the whole spectrum of social activities, which have been forged among the populations of the Earth, to cut across political and cultural boundaries. The patterns of modern human interaction are both interpersonal and institutional, and may be said to involve or even constitute the extension of those phenomena observable, in the various domestic communities of the world system. One of the important practical implications of the transnational world society is that, the nation-state system which traditionally dominated the global arena, has become one (among several other) sub-systems of the world society. On the other hand, the transnationalism (as opposed to internationalism) so created, must not be interpreted to mean the political supercession of global phenomena over the domestic phenomena within the component nation-states. The advent of the modern world society has not led to the negation of the nation-state, for the relationship between domestic and global phenomena is more one of co-existence and interrelated interactions. Not only does mankind continue to be divided into separate politico-legal communities, but the global system has yet to develop the institutional mechanisms of politico-cultural, social control and legal coercion, by which it can usurp the domestic sovereignty of national governments.
In view of the above factors, the notion of "world society" as a concrete social system, must be understood as a complex-conglomerate system of interactions and relationships (a cobweb phenomenon), embracing actors of different and varying stature, relative to size or scope of geographical domain, legal status, political authority and autonomy, economic strength, military capabilities, and socio-cultural influence. We can designate the major actors on the global scene as falling into the following categories. First, are the territorial-based actors (the nation-states) whose inter-relationships have created the greater part of the institutional structures of the world system. In matters of politics and strategic relations, the nation-state is still the most viable and dominant unit of world society. Further, it is by virtue of the treaties and other conventional agreements between them, that a second category of global actor exists—namely International Governmental Organisations, typified in the functional institutions of the United Nations and its Specialised Agencies, Regional associations like the European Economic Community, Organisation of American States, Organisation of African Unity, to name but a few. In general, these official but non-territorial based actors, existing as the 'trunkations' or parts of the individual sovereignties of the nation-states, have the potential to constitute themselves as apparatuses of a 'world government'. But the prospects of such integration of mankind, and the capacity of these institutions to promote it, are effectively stifled by the 'nationalisms' of the independent political units of the world system. Thus, notwithstanding the vital and very influential roles that the IGOs play in the technical, social, cultural, economic and diplomatic affairs of the world system, they are still politically ineffective competitors of the nation-states. Indeed, the tendency has been for them to be used as instruments of 'international power politics'. Associated with
the IGOs is another kind of global actor whose existence is a function of international agreements, namely, International non-Governmental Organisations (INGOs). Like the IGOs, the global roles of these INGOs are basically functional, but much limited in scope of activity areas. They generally tend to be concerned with humanitarian and welfare problems of the world system, as exemplified in the activities of the International Red Cross or Amnesty International. Some of them are essentially religious associations, while others are established, episodically, in response to international crisis situations (or as articulated world opinions on disturbing global issues), for example, the 'ban the bomb' movements which, occasionally come out in opposition to, and protests against the proliferation of armaments.

On the question of international military and strategic issues, the world system has come to embrace another category of actors whose activities have considerable significance. This includes Ideological, Revolutionary and Terrorist associations with transnational affiliations (or solidarity) and scope of operation. The influence of these groups in international politics, is the more greater, the more they exist and operate outside the domain of International Law and, are not embraced by the Laws of Warfare, or lack 'belligerent' status during their conflict with recognised national governments.

Likewise, the field of political-economy of the world system is greatly influenced by an international actor - the Transnational Corporation (TNC) whose power is not delimited by 'official accountability', but on the contrary, is enhanced by the indispensable role it plays, as a major source of supply of international capital and
The identification of the typical actors of the global scene in terms of the above categories, does not imply that the boundaries and parameters of the world system, terminate with their inter-relationships and activities. Neither can it be said that an actor, or activity, must be physically located within a concrete sphere, beyond the domestic level, to merit the status of transnational actor. World society starts within the domestic society, in the sense that a purely domestic event or situation or policy can have transnational significance and consequence, just as international ones have domestic repercussions. Thus, a successful 'trade union lobby' of the government of an industrialised country, for economic protection of local industries against foreign competition, can negatively affect the relative industries of competitors in a way in which the latter may experience cut-backs in exports, loss of foreign earnings, local unemployment problems, etc. The transnational consequence would be that of retaliation by the competitors, leading to the generation of 'economic warfare' at the global level. In essence, the idea of world society as a complex-conglomerate system of transnational relations, implies the existence of a concrete social reality, constructed upon the structural isomorphism between domestic and international phenomena, and enhanced by a modern form human interdependence in which, domestic patterns of interaction converge into global ones as they transcend their geo-political and cultural boundaries. The idea of world society, then, finds conceptual and empirical expression in two central processes - globalization and interdependence.

1.1 THE PROCESS OF GLOBALIZATION

Human beings have always externalized their interpersonal and social relationships, beyond the basic units that define the
family, tribe, community, nation, nation-state and international systems, as successive levels of human social interaction. In this chain of successive externalized relations, the world society represents the convergence of behavioural and systemic patterns, which are both parsimonious with domestic ones, and historically evolutional. The evolutionary process — globalization — has the tendency to create concrete realities, in terms of particular modes and bases of interaction, among specific actors, at different points in time and place that, we can speak of successive world societies or epochs of globalization, in history. The genesis of globalization is traceable to the Great Society of the Mesopotamian city states, which existed six thousand or more years ago. The 300 miles radius which defined the geographical scope of this ancient world society, was comparatively minimal to the more than one-thousand miles domain of the Greco-Roman 'International system' of 1500 BC to AD 500. Subsequent world societies recorded in history, include the Oriental Empires of Chinese, Indian, Mongolian, Moslem, Turkish and Ottoman domination. Post-dating these world systems, we can document in modern times, the concert of Europe which was legislated into existence by the 1648 Treaty of Westphalia as the successor to the international system of the Italian City States; the European-centred 'colonial system', and the contemporary 'transnational system'.

At the comparative level, one of the most distinctive features of the evolutionary process of globalization, has been the movement from unicentric, through multicentric, to multilateral, forms of structuration of the relationships between the participants in the successive world systems. For instance, the world system of the Graeco-Roman and Oriental Empires was organised and ruled, from one hegemonic political unit. It was basically a unicentric imperial system in which, one metropolitan
nation ruled over conquered and integrated peripheral regions. An example of the multicentric world system is furnished by the era of European colonial world society in which, several empires co-existed. Today's transnational world society involves a multilateral form of relations, in the sense that virtually all the participants possess political autonomy and, participate on the basis of 'consent'. On the other hand, there has been no significant change in the pattern of structural relations which have characterised the successive world societies. All of them have been based upon the dominance of a minority of core elements over a peripheral majority, and the contemporary transnational system is no exception. What can be said to differ, in the comparative examination of the asymmetrical relationships which obtained in the successive systems, is the change of power base upon which the core elements achieved their dominance. Whereas military strength was a decisive factor in the creation of the 'imperial world systems' (including European colonialism), the world system of the Italian City States was more a function of diplomatic prestige and influence, while the contemporary transnational system requires 'economic power' as a prerequisite of effective participation in the system's decision-making, and the acquisition of core or hegemonial status. Another significant change that has taken place in the history of world societies, is the transformation of the legal regimes governing them. In the early multicentric systems, relations between the participants (especially those core elements with independent status) were governed, first by the Law of Reciprocity, then later by International Customary Law and Treaties which recognised only sovereign entities. All non-sovereign elements were protected outside their national borders, under the diplomatic umbrellas of their national governments.
Though in today's transnational world system, the need for the non-sovereign actor (individuals and private organisations) to seek protection and fair treatment in foreign lands, through the diplomatic representation of the national government, is still present, this applies more in situations of political conflict and international tension, or blatant abrogation of the principles of International Law by the host government or citizens of the host country. The acceptance of the principle of International Responsibility, on the part of most sovereign entities (except in the extreme case of the taking of American diplomats as hostages in Iran in 1979), the growth of 'private International Law' governing the contractual relations between private organisations and governments, and the creation of International Conventions on Human Rights, have all seen to it that the non-sovereign actor is no longer an object but a subject of International Law. (1)

1.2 THE MODERN 'TRANSACTIONAL' WORLD SYSTEM

The modern world system differs from previous ones, in several other respects beside its differential legal regime and basis of its internal structuration. For a start, it is the first global system with a universal scope and meaning, in the real sense; i.e., it embraces not only all the nation-states of the globe, but allows the real participation of non-territorial based actors in its affairs. The multilateral nature of the relationships which determine its parameters is as unique, as the fact that it is the first world society which, through a process of globalization lasting a few centuries, has come to possess such features as global awareness, international interdependence, and transnational values, by which its universality must be appreciated.

The genesis of the modern transnational world society is obviously traceable to the process of European territorial expansion, from the 15th century. In that process, European 'imperial' pursuits opened
up the continents of Africa, Asia and the Americas, for economic exploitation. The need for sources of raw materials to feed growing domestic industries, for bullion to boost capital formation, and for external markets to absorb domestic manufactured products, were the motivating factors. The general method employed in this economic exploitation of foreign lands, was 'colonization' which was achieved through, either the co-optation of those societies and governments which were adept and adaptable to European culture, or the forceful domination and control, through military conquests, of the majority of the territories and peoples who tended to be recalcitrant. By 1900, the multicentric colonial world system created out of this European imperialism, was dominated by no more than ten metropolitan states as the core of the system — namely, Great Britain, France, Germany, Spain, Turkey, Russia, Austria–Hungary, Portugal, plus the two oriental empires of Manchu–China and Japan. Of these imperial powers, Britain, France, Germany and Spain, had effective control over three-quarters of the globe in colonial possessions.

The world system has been in flux since the dawn of the 1960s, in terms of the increase in the number and status of its actors, the nature and bases of interaction among these actors, and the patterns of structural relations between them. The changed nature of the modern world system must be attributed, on the one hand to the process of decolonization which gave formal independence to the peoples of Africa, Asia and Latin America, and ushered their countries onto the international plane as sovereign participants, and on the other hand, to the increasing importance of International Institutions and private organisations with international scope of operation, in the diplomatic, technical and economic fields of world affairs. In effect, what began as a process of incorporation of external lands and alien cultures into the ongoing
European-centred power-politics, of the 17th, 18th and 19th centuries, had by the mid-1960s, turned into a much more universal system. The modern world system is no longer a politico-cultural island of European people, beyond which there is an outside terrain of 'barbarians' to whom the people of the more civilized world can feel superior or, at whose expense they can expand. The parameters of the system transcend the purely inter-state political, diplomatic, strategic and economic intercourse, that used to characterise the traditional European-centred system. Thus, the overall transformed nature of today's globalisation, is best expressed in the concept of the socio-cultural homogenization of mankind - the key phenomena of this being global awareness, interdependence, and universal values.

1.3 TRANSNATIONALISM AND THE SOCIO-CULTURAL HOMOGENIZATION OF MANKIND

"The reader of any daily newspaper is aware of the growing importance of non-state groups and organisations that are not recognised as sovereign governments. Such groups, ranging from terrorist bands to great corporate empires, continually demand our attention, intrude on our consciousness and often offend our sense of propriety. They cannot, however, be wished away in order to regain the simplicity of a past age any more than world politics can be viewed simply as a stark confrontation between East and West. It seems to us, therefore, that traditional models of international relations, models that do not account for these new phenomena, are perpetuating the gap between the scholar's theory and the reality with which the scholar should be concerned".

Though 'non-state relations' have formed part of the global system, it is only recently (since 1945) that the general literature of International Relations has taken account of them, as equally important factors which determine the parameters, and hence the boundary of world society. This belated recognition of non-state relations is not exactly the result of the theoretician's lack of appreciation, of the importance of these relations in the development of the global system. For intermittent with the influx of non-state actors have been the increase in inter-state conflicts and the intensification of power politics in world affairs. The post-1945 world has witnessed numerous social upheavals in virtually all countries, some or most of which have spilled onto the international plane, as war situations threatening to engulf mankind in a devastating and apocalyptic Third World War. Such conflict events as the East-West Cold War, the Middle-East, and the African 'decolonization' struggles (viz. Mozambique, Angola, Zimbabwe, Namibia and South Africa), have tended to persist and perpetuate an atmosphere international tension that, they capture journalistic and other literary attention far more than the mundane activities of international organisations and corporations. It is only with the crystallisation of the North-South cleavage that the importance of the IGOs and TNCs in the structure of the political-economy of world society, has received increasing attention.

At the same time, we must recognise that certain structural forces of the global system, make for the tendency of inter-state relations to overshadow non-state ones. One of these is the fact that the capacity to participate in international relations which, until very recently, found expression in such attributes as sovereign status, economic resources and control of armed coercion, rested
mainly with the nation-states. And this instrumental capacity is
the more essential where hegemonic power politics define the
patterns of interaction within the global system. We must,
therefore, see the belated recognition of non-state relations to
be partly the result of the shift from military to economic bases
of power; for it is with this shift that the TNCs and IGOs have
found functional importance and power in world affairs. It is
also significant to note that, whatever the boundary-crossing
nature of the activities of these non-state actors, they take
place under the judicious consent of those who still cling to
the prerogative of 'territorial jurisdiction'.

On the other hand, whilst the structural forces of the
global system have, in the past enhanced the dominance of the
inter-state system (and currently potentially delimits world
affairs to inter-state intercourse), they have not, however,
prevented the growth of factors making for the socio-cultural
homogenization of mankind, in the following senses.

(a) Global Awareness

Global awareness implies the sensitivity of the national
populations of the world, to each others existence, ways of life,
and events taking place within and beyond their national borders.
Such awareness is historically unprecedented, and the forces which
must take credit for it include the modern communication systems
(the global television, motion pictures, radio and telegraphic
services, the world press, faster air, sea and land travel and
transportation), which have revolutionised human social life.
Global inter-communication, if defined as movements of information, people, goods, ideas and cultures, is not a unique modern phenomenon. But what differentiates the modern global inter-communication from those of the past is that, with the aid of inanimate energy (the satellite and the supersonic for instance), the modern systems have given man the capacity and the ability to communicate and interact over vast distances, thereby dispensing with the face-to-face interaction which, in the past, tended to restrict the pace, scope and depth of transborder interactions and global awareness. The modern scientific and technological achievements, with which the communication revolution has been achieved, remove many of the imperfections which previously influenced the insulation of societies from one another. By virtue of the printed word or the electronically transmitted news, the greater majority of mankind now enjoy a cosmopolitan vision and knowledge of the world, in their living rooms. Today, the links between the cities and populations of the world are matters of mere hours by air travel, and minutes by electronic forms of contact. With the improved communication systems has come the relatively decreasing cost of information services like education and research, which in turn increases the accessibility of larger numbers of people to sources of information, institutions of learning and training. These developments in global intercommunication are the more significant when it is observed that, the costs of other basic human needs – land, food, fuel, clothing etc., – have been rising tremendously in recent years.

(b) Universal Cultures and Values

The world of today has shrunk, not only in terms of the increasing awareness that widely separated peoples have of each
others' existence, but also in the sense of the convergence of cultures, the interchange of ideas, and the proliferation of 'commonalty values'. It is but a mere logic to conclude that the greater the frequency of interactions between people, the more vulnerable distinctive cultures become to foreign influences and habits. If the 'suit and tie' constituted the exported European fashion to the colonized African, Asian or Latin American in the pre-1960 days, the Kaftan, Lakpa, African print, Fulani beads and other exotic items of clothing, formerly peculiar to the people of the tropics, have become part of the 'wardrobe' of many Western people, thanks to the universal 'youth culture', 'hippie movements' etc. In diet, the European eats Oriental food of many variety; the Chinese relishes the 'American beef burger', while the African dines on French cuisine.

Similar patterns of inter-cultural influences are felt in various other fields of human social life. Industrial-technology, for instance, has become a universal culture, not only in terms of its world-wide application as the most favoured mode of production of material life, but more significant, it is a common sight to find 'high-technology' in the form of consumer goods of all types and shapes, right in the heart of ghettos and rural societies. Thus, for instance, Puerto Rico which is one of the poorest countries in the world, has the highest concentration of 'motor cars' per head of population.
"What is good for the goose must be good for the gander". The patterns of material consumption have become more uniform throughout the world, not merely because we all dress alike and eat the same kind of food, but also because global awareness and the increased communication of cultures across boundaries, have generated a revolution of rising expectations in which, consumerism and materialism commit national governments to the policy of faster or sustained economic growth and development, to satisfy the demands of their people. Materialistic values now override traditional ways of life and even ideological considerations, with the effect that socialist countries like China revise their polemic stance against capitalism, in their quest for Western technology to aid their industrialization programmes. Likewise, the need for Western financial and technical assistance has proved to be more important than the memory of 'colonial exploitation', in the symbiotic relationship between the Third World countries and the developed West.

Global commonalty values are further exemplified in 'world opinions' which bear on moral and political issues. The principle of 'inalienable human rights' is exalted and espoused (albeit in mere rhetorics most of the time) by all statesmen and diplomats. Its denial in most countries has given rise to the emergence of moralistic organisations like Amnesty International, which monitors its practices and abuses with the aim of arousing negative world opinion against national governments and regimes perpetrating inhumanities. Likewise, the 'campaign for nuclear disarmament' has become a world-wide movement whose supporters span, not only the European countries
in the front-line of potential East-West nuclear warfare, but all nations and peoples alarmed by the deterrioration in the American-Soviet politico-strategic relations in the last couple of years. The United Nations Organisation may lack the political power to coerce its member countries to behave in strict accordance with the principles of International Law, but it's continuous service to the world as the universal institution committed to the defence of such principles as, 'national self-determination', 'equitable and just treatment of minorities,' women equality, and concern for the plight of the defenceless child and the disabled, at least indicates the existence of a global forum for the presentation of grievances and, the peaceful settlement of disputes. Finally, it must be observed that, divided as the peoples of the world are by the operation of conflicting ideologies, there is one ideology that appears to command the support of all political administrations; this is the 'democratic ethos'. Whereas few countries can boast of governments whose policies are egalitarian enough to satisfy the basic rights and welfares of all their peoples, none, however, would like to be singled out as the most undemocratic country in the world. In this context, what is important to note is not whether a country is repressive, authoritarian, racist etc., in its political practices, but the fact that the practice in question is presented and defended as 'democratic'. Essentially, then, democracy is the most supreme, universal moral creed, professed by all but practiced by few; it's proclamation
is as universal as it's abuses.

(o) **Global Interdependence**

Of the various phenomena by which the idea of socio-cultural homogenization of mankind can be expressed, that of 'international interdependence' has been accorded the most controversial discussion in International Relations literature. The dispute has its conceptual and empirical sides; i.e., it relates to both the meaning of the concept of interdependence, and to the nature of the phenomenon as has been identified in world affairs today. The conceptual issue is outside the scope of this essay, and attention is mainly concentrated on the empirical issue. Here, the debate turns on whether the claim of 'international interdependence' is empirically verifiable or, is a mere ideology propagated by Western intellectuals and policy-makers, in their attempt to de-radicalize the growing Third World agitation for the restructuration of the world economy. Associated with this is the ideational tension between those who see the observed phenomenon to be primarily symmetrical, and those who counter with an asymmetrical conception. Since this dimension of the controversy is discussed in a later chapter of this essay*, commentary now is given to the extent to which 'international interdependence' is a factor of modern globalism, and a convergent force in the socio-cultural homogenization of mankind. That the various populations of the

* See chapter 2
the world now exist in interdependent relations, is easily verified
in the tendency for even the most isolated national event to have
world-wide significance and repercussions, for all other countries.
In the past, interdependence was a feature of the relations between
countries which maintained closer economic, political or military
ties. Thus, we used to talk of inter-dependence where, for instance,
in economic matters, the exports of one country represented the
imports of it's trading partner; or in military affairs where the
defence provisions of one country represented the security of it's
allies. But today, with increasing centralisation of economic
relations in a 'global market', centralisation of diplomacy and
specialisation of functions in formal international institutions,
isolated and neutral countries have become things of the past.
It is significant to note that purely political or diplomatic
measures, taken by one country against another, tend to have
not only socio-cultural significance but world-wide repercussions
as well. A case in point was the 1980 United States' lobby of
the international community, to boycott the Moscow Olympic Games,
over the Soviet invasion of Afghanistan, which received the
support of many countries not necessarily allies of the U.S.A.
Also indicative of the mutual contingency of the social circum-
stances of the populations of the Earth, are such events as the
Energy crisis which, since 1973, has demonstrated the vulnerability
of industrial-technology to forces that interrupt the free flow
of fuel inputs (e.g. the Middle East conflict and the Iraqi-Iranian
War), and hence, the dependency of the industrialized economies
upon the 'good-will' or co-operation of countries which supply them
with their essential raw materials. Similarly, a favourable
international opinion of the Third World countries, has been found to be indispensable to the politico-diplomatic and strategic policies of both East and West. In the light of these tendencies, the concept of international interdependence can be said to have empirical validity, in the following senses:

i) **Interpenetration of States**

In an era in which national population sensitivity to external events and situations, has increased considerably as a result of global awareness, the nation-state is no longer the unitary and autonomous political entity it was in the pre-1945 days. The modern nation-state is a victim of all kinds of disintegrating forces. Internally, national governments are called upon to adopt policies that can reconcile the conflicting interests and demands of segregated groups. For failure to do this, often leads to strife situations like the Northern Ireland and Palestine debacles. From the external point of view, foreign influences in the form of universal values, transnational activities, and international ideologies and the propaganda of adversaries, which often come in conflict with established national ethos, have all necessitated the increasing 'social control' measures of most governments, in most cases, of the repressive kind. National governments which tend to be recalcitrant in the face of minority demands for ethnic recognition, civil rights and equality (e.g. Apartheid South Africa, Israel on the Palestinian issue, the U.S.A. and Britain on the subject of 'race', to name but a few), often find themselves at a receiving end of
revolutionary and/or terrorist activities, some of which tend to be internationally co-ordinated.

The interpenetration of the modern nation-state is also a function of 'international institutionalism'. Supranationalism may not have developed to the point at which, international Law can be said to supersede community law, but the functional interdependence of states in economic, military, political, ideological and technical matters, have all intensified the process of 'trunkation of national sovereignties'. The European Economic Community (EEC), for instance, embodies institutions (the European Court on Human Rights) with supranational powers. Similarly, pragmatic considerations and functional requirements of states, often leads them to subscribe to or acquiesce in the directives of their allies or the international organisations in which they hold membership. The decision by the members of the Organisation of African Unity (OAU) to cancel diplomatic relations with Israel, way back in 1973, was dictated by not only the consideration of political solidarity with the Arab League, but also by such factors as the supply of Arab oil and flow of Arab financial credit. It is instructive to note that Zaire which has found that decision to be uncomplimented by the anticipated Arab financial assistance, has restored relations with Israel, and in consequence has incurred the diplomatic hostility of both African and Asian countries. In identical context, the current pro-American attitude of the Federal Republic of Germany on 'nuclear armament' and the 'South African/Namibia issue,' must be seen in the light of that country's strategic dependency on U.S. and NATO deterrent forces in Europe.
ii) Politico-Military Interdependence of the World

Military alliances and realignments, engendered by a common ideology or a coalescence of national interests, or 'balance of power' considerations, have been one of the traditional forms of international interdependence. Today, in the face of a threatening 'nuclear Armageddon', all mankind are united in the need for an international regime to control the arms race, achieve the disarmament of the superpowers, and safeguard world peace. This pressing need of the global community is the more imperative, given the deterioration of East-West relations in recent years, and the multipolarization of power politics in the dangerous direction of armament proliferation amongst countries like South Africa, Israel, India, Pakistan, and others. Where previously, the world could rely upon the 'nuclear balance' between the U.S.A. and the U.S.S.R. to ward off the threat of a devastating Third World War, that guarantee has now evaporated with the acquisition of nuclear capability by other countries whose, responsible behaviour tends to be every much in doubt. A case in point was the Israel attack on Iraqi nuclear reactors, on 7th June 1981.

The policy of 'deterrence' which has provided the strategic rationale of the arms race between the Americans and the Russians, may be criticised as illogical, especially when it is observed that it leads to the global proliferation of armaments which, in turn, both generates and exacerbates international tensions. But the important point here, is not whether 'deterrence' is counter-productive to the global fight against aggression and a Third World War, or that it satisfies the belligerent tastes of 'war mongers'
like Mrs Thatcher and Ronald Reagan. Rather, it is the perception that the strategy of deterrence has consequences which implicate all mankind in a common destiny of potential total destruction, and hence, unite the world in a common effort to find lasting solutions.

iii) The One World Economy

Transaction flows, in commodities, services, personnel and other resources of production, generally provide the quantitative indicators in the analysis of international interdependence. There can be little doubt that World Trade, since 1954, has grown at a rate faster than the growth in commodity outputs as measured by Gross National Product (GNP) (2).

Several reasons account for the post-war higher rates of growth in world trade. In the first place, today's world trade is a universal activity - which does not necessarily require the regime of specially negotiated inter-state treaties, for it to flourish. Most countries have external public and private trade organisations, which possess the autonomy to negotiate trade agreements with foreign partners, without recourse to the governmental apparatuses of their nation-states. The 'direct foreign investment' ventures of Transnational Corporations, once the initial hurdle of acquisition of host country's permission to invest has been cleared, lead to intra - and inter-corporation trade, which, in turn, enhances the growth in world trade. The
second factor to note, is the growth in international markets – the result of the influx of the new economies in Africa, Asia and Latin America, and the re-entry into international economic relations, of previously isolated socialist economies, viz. the Soviet Union, Eastern Europe and China. Thirdly, the (mutual) needs of the nations and peoples of the world, for each other's products, in a world in which all dress alike, eat identical foods, and enjoy the same entertainments and leisure, ensure the expansion and growth in world trade. Though the protectionist policies of the members of the Organisation for Economics Co-operation and Development (OECD), against each others products, but particularly against the exports of the Third World countries which compete with those of their domestic industries, have retarded the further growth of world trade, they have not seriously affected the general trend towards the lowering of trade barriers between countries, as achieved in the successive Rounds of the General Agreement on Trade and Tariffs (GATT), and the establishment of economic communities (EEC) and customs unions like ECOWAS, ASEAN, ANDEAN, and others.

At the general economic level, the fortunes and life-styles of the peoples of the world have become increasingly intertwined; there is mutual dependency of national incomes and expenditures. The high rise in the share of world production and income, achieved by such countries as Japan, Germany and the OPEC group, obviously poses rapid, often painful adjustment problems, for the countries not experiencing similar good fortunes. But the international response to such situations, has been more of attempts at negotiated
equilibria, than those of economic warfare. Thus, forums like the NIEO (New International Economic Order), the CIEC (Conference of International Economic Co-operation), and the annual Summit Meetings of the Group of Ten of the IMF, have come to characterise contemporary international economic relations. At these forums, the question of 'equitable reconstruction of the world economy', and solutions to global economic instabilities arising out of universal inflation and the developmental problems of the LCDs, come to the fore. Recently, the 'limits to growth' thesis on the dwindling resources of the Earth, and the 'energy crisis', have energised the activities of both the DCs and the LDCs toward a working solution, for the trade and general economic problems in the relations between the two sectors.

Global economic interdependence is further exemplified in both the growing similarity in world demand patterns, and the away of industrial-technology over all economies. The major trading countries, especially the DCs, show to a considerable degree, broad similarities in the type and variety of their import/export goods. The LDCs, whilst not significant producers of industrial goods, are nevertheless, effective consumers. In essence, there has been increasing universal uniformity in both technological resources and skills of production, and the consumer goods coming out of their application. The overall consequence has been the increasing indispensable role of the TNCs as major research institutions and sources of supply of capital and technology.
Finally, the nations and peoples of the world are economically interdependent, with reference to the increasing influence that international capital and labour mobility, exert on individual national economies. Few are the countries which are not experiencing domestic unemployment and associated socio-economic problems, as a result of global inflation and other economic instabilities. Yet all countries, especially the developed ones, must deal with immigrant labour in search of 'streets paved with gold'. Whereas countries like the U.S.A. and the European nations attempt to solve this problem, with restrictive immigration policies (to curtail the influx of Mexicans, Asians, West Indians and Africans), it seems that the determination of the peoples of the Third World to reverse the 'open-door' economic movement, used by the West to penetrate their territories during the colonial era, is winning the day.

International financial interdependence further encourages the conception of a one world economy. The common dependency of all countries (with the exception of the socialist COMECON group) upon international financial institutions (the World Bank and affiliates, and the private Transnational Financial Corporations), to assist their liquidity needs, as well as aid the solution of their balance of payments and developmental problems, is a typical example. This interdependence is also a function of the universal effects that the frequent crisis in major world reserve currencies, have on national economies. Since the 1960s, the world society has
witnessed recurrent crises or periods of instability in foreign, exchange markets, caused by fluctuations in the value and purity of major currencies like the dollar, sterling, deutschmark and the yen. At times, under-valued currencies, like the yen in the mid-1970s, have not only given trade and other economic advantages to their respective countries, but have threatened to lead to economic warfare with major trading partners - example, the United States' demand that Japan revalues the yen or face 'import restrictions' on its exports to the U.S. In general, such fluctuations in the value of the major world reserve currencies, pose considerable liquidity problems for most countries, especially those who hold their foreign reserves in those currencies. A case in point was the considerable increase in the price of gold-holding countries (largely the members of the OECD), while the LDCs who kept their reserves in dollars failed to make any gains.

Global financial interdependence is also a function of the universal concern with the problems of economic growth and development which, leads to a premium being placed on the need for capital flows. This premium has generated speculative conditions in which, the movements of internationally-owned private capital can reach amount of order of thousands of millions in a matter of days. The general consequence is that all economies become vulnerable to the ransom demands of creditors - (e.g. Nigeria's threat to withdraw its reserves from British Banks in the mid-1970s), or of holding-countries (e.g. the freezing
of Iranian assets in American banks by the U.S. government, in 1980, over the 'hostages case').

1.4. CONCLUSION

From the foregone, it may be concluded that the reality of the modern world society, is one that is characterised by several integrative forces of which, the process of socio-cultural homogenization of mankind, provides the conceptual framework. The manifestation of this process into an over-arching world system, has neither been purely intentional, or consensual nor essentially co-operative, with reference to the interests and aspirations of the individual political units of the system. Unintended consequences of actors' behaviour and activities, for example, international tension created by inter-state conflicts and warfare, and the functional requirements of continuous peaceful international intercourse, have been some of the major vehicles upon which the creation of the modern world system, hitched its ride. Overall, the conducive factors and forces in the advent of the modern world society, can be summed up in the following major developments;

The first to note is the emergence of transnational forms of interaction which cut-across nation-state boundaries, to produce a global system in which, the previously dominant inter-state system, has become just one of the component units.

The second development is the proliferation of non-state actors who possess resources and capabilities, often far greater than those of the traditional actors (nation-states), with the effect that they
achieve greater participation and influence in international decision-making, than their formal statuses should permit. This development has made the nation-state a competitor rather than a dominant actor of the global theatre.

Thirdly, we must note the permeation of the nation-state system, via the agency of new patterns of societal relationship which, by creating multiple citizen loyalties, deviance from traditional norms, minority challenges to central authority, reduction of nationalistic sentiments, and ideological dichotomies, have made the nation-state a less unitary and autonomous entity than it was in past years.

On the other hand, when these revelations about the modern world society are subjected to critical examination, the reality of a universal, culturally homogenous, and socio-economically integrated system of mankind, can be found to be very superficial. Underneath the facile picture that the concept of socio-cultural homogenisation describes, lies the grim reality of a world composed of increasing conflict relations, exploitation and deprivation of man by man, poverty and misery amidst unprecedented affluence and progress. This is the negative dimension of the modern world society, and it leads or should lead us to see the emerged global system, as a paradox.
NOTES FOR CHAPTER ONE

1. "International Law is a law regulating the rights and duties of States inter se and creating no rights and imposing no duties on individuals". This view was expressed by the Permanent Court of International Justice, in the "Finnish Ships Case", PCIJ, 1932.

2. Between 1960 and 1975, the volume of world commodity exports increased fourfold, compared with the doubling of its commodity output. Though the rate of growth in world trade since 1973 has slowed down to an annual average of 4-4.5%, this is still higher than the 3-4% growth in GNP which most countries have been experiencing since 1960, with the exception of the OPEC countries whose average growth rates have been as high as 6-7%.
CHAPTER TWO

THE CO-EXISTENCE OF PRIVILEGED AND UNDERPRIVILEGED MANKIND

The very threads with which the tapestry of the modern interdependent and universalised world society is woven, are being used to tear that tapestry into shreds. The division of the members of the human race, in terms of poor, starving and socio-economically underdeveloped countries on the one hand, and rich, overfed and developed nations of the other, is unprecedented in the history of mankind. Juxtaposed and interwined with the integrative forces of global awareness, interdependence and commonalty values, are the disintegrating ones of social conflict and socio-economic inequalities, among the peoples of the Earth, at both domestic and global levels. Today's world society may be progressive in terms of the higher standards of material and cultural life it can boast of, but it is a progress in which the vast majority of its human members are increasingly, being denied the advantages of modernism. We have landed man and equipment on the Moon; we have manned and unmanned space objects orbiting the outer galaxy of the Earth, and we are seriously considering the establishment of human communities on other planets. Our scientific, technological and medical achievements are so advanced and historically unprecedented that, few are the horizons of the known physical world and biological life that awaits our exploration and
conquest. We can, if we really want to, produce enough food, clothing, shelter and entertainment, to satisfy the basic biological and social needs of all the members of our race. We have the resources and the knowledge to solve some of the basic but perennial problems of our social existence, like poverty, starvation, insanitation and associated diseases, social conflicts and internecine warfare, or prevent the occurrence of incurable diseases like cancer, which threaten our survival, if we have the political will.

Despite all these achievements, capabilities and resources of the modern world, we remain unperturbed when a starving African or Asian child is denied adequate nutritional diet at the cost of less than £1 a week, or an old-age pensioner in Europe or North America die of 'hypothermia' due to lack of adequate warmth in winter at the cost of £3-4 a week. Indeed, we prefer to spend the resources that could save the lives of some of our unfortunate and underprivileged members, in the production, maintenance and use of munitions and other destructive instruments of human life, at the cost of U.S. $1,000,000 per minute. In certain cases, we even prefer our instruments of destruction to be more effective on human life than on physical objects - viz. the 'neutron bomb'. This is the advanced, civilized world of our contemporary existence.

2.1. THE WRETCHED OF THE EARTH

The late Frannon wrote, "The most persistent human condition is not one of philosophical anxiety, but of sheer physical need". (1)

It is nothing more than a cliche that, at the same time that
there is a world-wide propagation of universal morals and values like human rights, freedom of individuals and minority groups from political, racial and other forms of oppression, the self-determination of nations, among other things, the most basic moral value - the freedom of all human beings from physical want and hunger - is either ignored or denied the greatest number of the human race, by those charged with the responsibility of its provision or defence. To be a Peruvian peasant, an African compound-dweller, a Palestinian refugee, a slum-dweller in the urban centres of the industrially developed countries, is to experience a life of acute material, cultural and spiritual deprivation. Co-existing with this acute physical and social need of the majority of the human race, are the affluence and privileged situations of the minority domestic elites of the world. It is the co-existence of binary-oppositions like, well and overfed populations against starving ones; rich/developed countries vis-à-vis poor/underdeveloped ones; and cases of extravagance and waste in deserts of scarcity and misery.

(a) The Facts: (2)

In 1978 the world society was composed of just about four and a quarter (4.25) billion human beings, scattered over continents and islands which, for purposes of analytic clarity, can be grouped into either seven main regions (Africa, Asia, Latin America, North America, Europe, Oceania, and U.S.S.R.) or into four main economic blocs (OECD, COMECON, OPEC, and non-OPEC LDCs). Figures 1A and 1B
in the Appendix, give a graphical illustration of the distribution of the global population and total income (in GNP and per capita measures) among the regions and economic blocs. The charts provide, at a glance, the considerable income disparities between the regions or blocs, relative to their respective population density. What they do not immediately reveal, however, is the socio-economic significance or implications of the disparities.

(b) Starving Populations:

The 1974 Report of the United Nations Food and Agricultural Organisation (UNFAO), presented at the World Food Conference of that year, revealed that over 460 million people in the world suffer from chronic malnutrition; 1 billion people (roughly a quarter of the human race) are potential victims of hunger and malnutrition; 60 million human beings are actually dying from hunger and malnutrition each year; and well over 300 million of mankind have grossly retarded physical growth as a result of malnutrition. These revelations of the UNFAO are not mere statistical figures, but the stark realities of absolute material hardship; a malaise that is highly located and entrenched in the three regions of Africa, Asia and Latin America. Three-fifths of the Third World's population (almost half of the human race) do not get enough food to provide each person with a minimum subsistence diet. In India alone 244 million people get less than three-quarters of the necessary level of calorie intake for life support. 30 percent of children born in the Third World, die each year before their fifth birthday, and half of this infant mortality rate
is the result of malnutrition. Malnutrition, for instance lack of 'vitamin A', accounts for the loss of sight of 100,000 children in the Far East. And the Third World's prospects for rectifying food and nutrition deficiency, look bleaker every year, for in the conclusion reached in the UNFAO Report, even if the Third World manage to produce 90 percent of its food requirements, its people would still face an annual deficit of 85 million tons of food.

(c) And Overfed Populations

At the beginning of the 1970s the people of Western Europe, Oceania and Japan, were consuming 23 percent calories more than they biologically need. North Americans consumed 26 percent more, while the Soviet Union topped the overfed people's league with 27 percent excess of calories intake. In the stark contrast between the starving populations in the Third World, and the overfed populations in the developed North, the richest 10 percent of mankind consumes twice as many calories per head as the poorest 20 percent. Each citizen in the rich and developed Northern Countries, consumes up to about 1 ton of grain a year; this is equivalent to 6-7 loaves of bread a day. The average Third World citizen only manages to survive on 400 lbs of grain a year. The diet ratio between the North and the South is 5:1. And according to Prof. Jean Mayer (one of the world's leading nutritionist) the same amount of food that feeds 210 million Americans would feed 1.5 billion Chinese, at the average Chinese diet. Pets in the
developed countries are even better fed than the human beings in the underdeveloped countries, since a medium-sized dog in Britain gets through as much food a year as the average Third World person.

(d) And Waste

In 1974, the world's political leaders and the Institutions of the global community declared a "World food crisis". This declaration could only have been made to project an image (and a false one at that) of moral concern for the plight of the "Wretched of the Earth", for at the same time of its resolution in the United Nations, 90 percent of the world's total grain output, half of the world's fish-catch, and the same amount of its soya-beans and ground-nuts, were being fed to animals, in the 'factory farms' of the developed countries of the North. Instead of feeding livestock on grass, so that the animals could use their natural digestive systems to turn a resource of limited social use, into food (meat) for human consumption, the American, European, Japanese and Australian farmers use the grain, fish, soya-beans and groundnuts (that is urgently needed in the Third World to save the lives of starving millions), to feed their cattle, sheep, pigs and other livestock. But the irony of the system of factory farming in the political-economy of today's world society, does not stop at this deprivation of the peoples of the Third World, of their means of subsistence. It is a system whose continuous operation derives, in part, from the pattern of Third World exports to the developed North, and partly from the structural imperatives of the world economy.
In the conflict between the need for flows of capital and technology to facilitate developmental projects, and the need to produce enough food to feed starving populations, Third World countries have found themselves in the tragic situation of "export and die". Producer countries like Brazil, Chile, Peru, Sierra Leone and numerous others, are compelled by the need to export in exchange for "foreign exchange", to deprive their own peoples in the consumption of the nutritious products of which they are the major producers. And this situation is bound to persist, for the following reasons: First, the overconcentration of the capital and technological resources of the world, in the hands of the Northern countries, and the fact that it is the Northerners who dictate the terms of the global 'exchange relations' and hence, the processes of capital/technological transfers to the South.

Second, the continuity of the system of 'factory farming', in the light of the 'consumption habits' and economic policies of the Northern countries. Statistics bearing on the consumption habits of the peoples of the developed countries indicate that, since 1950 their rate of meat consumption has been increasing considerably. In 1950 Americans ate 50 lbs of beef a head; by 1973 this had risen to 119 lbs, and today, it stands at 250 lbs per head of population. The massive grain imports by the Soviet Union in 1972 went largely to feed cattle, chicken and pigs, so that the Russian standard of eating would not decline. The Japanese increased their rate of meat consumption by almost 60 percent between 1969 and 1972.
What is left of the world’s grain, after factory farming has taken its share, goes into the production of beer and other alcoholic drinks. The negative effects of alcoholism, for both the organism and the society at large, are obvious enough to make further commentary unnecessary. What is more important to note is that, those who squander the vital resources of the Earth in this fashion, are not likely to be induced by either conscience or pragmatic reasons to change their practices. The U.N. declaration of "War on Want" towards the latter part of the 1970s, could not persuade them to appreciate the dire food needs of the LDCs, for the feeding of grain and other nutrients to livestock, which entails the deprivation of the starving millions in the South, forms an integral part of the economic system of the North. It is a mode of agricultural production which provides the Northern economies with the means of disposing of their surplus primary products, without flooding the world market; the prices for these commodities (often beyond the means of the LDCs) can be maintained, and their farmers would be assured of stable incomes.

2.2 POVERTY IN THE MIDST OF PLENTY

Starvation represents the most extreme condition of deprivation of the basic requirements of biological and social survival, for a human being. Given the advanced and progressive nature of the contemporary world, the sociological implication of starvation of millions of human beings today, is nothing less than the reflection of the inhuman segregation of the global population into a mass of poverty-stricken people and a minority of affluent persons. Basically, the ‘poverty syndrome’ is compounded of a schedule of unsatisfied
needs i.e. such requirements of biological survival as food, shelter, clothing, medical care, among others, and those of a meaningful social life like education, cultural identity, leisure, entertainment and the possession of skills for gainful social occupation. Underlying these, and in fact the main reason for their non-satisfaction, is the lack of adequate resources which, at given historical time and place, are instrumental to the acquisition of viable material and cultural life. Now, ever since the demise of the 'natural economy' of primitive man, the successive generations of mankind have had their means of material/cultural lives governed by systems of commodity exchange, with the effect that, incomes gained from the sale of either one's labour power or goods, have become the fundamental means of biological and social survival, for all human beings. Thus, in the study and analysis of the phenomena of 'poverty in the midst of modern affluence,' it is the patterns of income distribution operating within and between the political communities of the world society, that must be given attention.

The second aspect of the poverty syndrome which must be noted is that, its component elements are intertwined in a manner in which it is always difficult to separate the 'causal factors' from their 'effects'. For instance, the victim of poverty obviously lacks the means (adequate income) to provide for his/her/its biological and social needs. The consequence of this situation is the retardation of the development of the physical and mental well-being of the victim, which in turn, denies him/her/it of the capacity to engage in gainful employment for the means of viable material and cultural life. Even where gainfully employed, the poor persons lack of education or skill, (itself the product of his/her initial poverty) would imply low income earnings, hence his/her lack of effective
demand for the necessities of human social life.

Thirdly, poverty is a vicious circle of persistent needs and incapacity to achieve the means of their satisfaction, not only as a result of the incrementally negative role that its component elements play in the whole syndrome, but also because the phenomenon is a function of the opposite phenomenon of 'affluence'. There are poor individuals, groups and nations because there are rich counterparts. The two phenomena define one another with the effect that, poverty is not only an absolute condition but a relative one as well. The relative dimension of poverty finds expression in more than one sense. First, poverty exists because there exists a standard of viable material/cultural life against which, a deviant condition of a high or low level kind, can be judged as either a condition of poverty or one of affluence. Thus, secondly, poverty and affluence are so interrelated in a structural relationship in which, one cannot exist without the presence of the other; there are no poor individuals/groups without rich ones. More significant, however, is the fact that the two phenomena represent the manifestation of structured asymmetrical relationship in which, the circumstances of the poor, as well as the prospects of alteration of these circumstances, are invariably dependent upon the circumstances of the rich. Unless there is a redistribution of the community's material/cultural life in a manner which causes the circumstances of the poor to improve, simultaneous with the decrease in the standards of the rich, the poverty-affluence dichotomy would not decompose. Indeed, a general improvement in the material/cultural life of the community that results in an all round improvement in the standards of life enjoyed
by the poor and rich alike, only leads to the widening of the gap between the two. This is the relativity of poverty. It is a relativity that encourages the treatment of both poor and rich mankind, to go beyond their domestic cells to take account of global comparisons. By this is meant that, the 30 million or so Americans classified as poor because their annual incomes fall below the poverty threshold of U.S. $8,414.00, are in the same socio-economic category as the millions of Third World poor who subsist on meagre incomes of U.S. $500.00 per annum. In other words, the numerical difference in the incomes of the U.S. poor and those of the Third World poor, is cancelled out by the differential costs of living pertaining to the American and Third World communities, respectively.

On the other hand, it is appropriate to adopt a criterion for the determination of the poor and rich in the world today, based upon a global standard identified with the average standard of living possible in the most affluent countries of the world, rather than on the comparative differences in the standards and costs of living obtaining in the various countries. This criterion would be legitimate, given the 'interdependence' which has caused the various political communities of the Earth, to live in more or less a one world society. In which case, the difference between the American poor or rich and their Third World counterparts, is not one of kind but of the degree to which their respective socio-economic circumstances, provide them with the means of meeting the costs of social life in the world today. In this reasoning, the transnational society of the modern world is structured in terms of a hierarchy of affluent and indigent individuals/groups/nations, whose incomes (hence means of viable material/cultural life) are determined by the structure of the political-economy of the global...
system. At the level of comparative analysis of domestic stratification systems, the low-income American citizen is as poor as the low-income Third World citizen, in the relative sense of differential standards and costs of living in the U.S.A. and the Third World, respectively. But at the global level at which a common standard applies to the lives of all mankind, the American poor is in a far better situation than the Third World poor.

(a) The Facts

Broadly, the socio-economic circumstances of the countries of the world, by the criterion of 'industrial-development', depict the division of the world into two main sectors, namely, the North (generally rich and economically developed countries of North America, Europe including the Socialist East, Japan and Oceania), and the South (the relatively poor and underdeveloped countries of Asia, Africa and Latin America). Between the North and South lies the wide chasm of extreme inequalities in income, level of socio-economic development (i.e. the manifestation of economic growth into Gross National Product per capita, degree of literacy, health standards and other indications of human social well-being, communication, transportation, etc.) and the opportunities for socio-economic advancement. In terms of the global consumption of material and cultural life, as defined in the concept of socio-economic development, the distribution curves are generally found to be skewed in favour of the North, while the structural relations which determine the distribution, operate to the detriment of the South.

In aggregate terms, the less than a quarter of the human race in the North enjoys a total income (GNP) that is over four times that enjoyed by the majority three-quarters of mankind populating the South. On the average (GNP per capita) each Northern
citizen enjoys twelve (12) times as much income as the Southern citizen. Extreme cases of this immense North–South income differential is found, where the average North–American person is 25 times better off than the Asian, 18 times better than the African, and 7 times better that the Latin–American (see Fig. 1A). On the other hand, the lines of the North–South dichotomy blur, with the substitution of regional and economic-bloc divisions for that based on the sectoral concept. The intra-sectoral variations (as depicted in Fig. 1B) reveal that there are poor elements in the rich North as there are rich countries in the poor South. Thus, in reality, Southern countries like the oil-surplus OPEC (Organisation of Petroleum Exporting Countries), and industrializing ones like Mexico, Brazil, Singapore, Hong Kong and the Republic of South Africa, tend to command incomes, as well exhibit rates of economic growth, equal to, and in some cases far in excess of those normally associated with the elite Northern countries. Conversely, the North has its poor elements in countries like Romania, Portugal, Turkey, Yugoslavia and Cyprus, whose incomes and economic growth are not significantly different from those generally seen in the South.

But these intra-sectoral inequalities do not alter the general picture of the division of the world into North and South. In the first place, very few are the countries that deviate from the standards of material/cultural life by which the dichotomy is defined. Of the two-thirds of the countries in the world with GNP per capita below the conservatively adequate threshold of U.S. $2,000.00, only five (Portugal, Turkey, Romania, Albania and Malta) come from the North. At the other end of the spectrum (i.e. the rich countries), only four Southern countries (Qatar, Kuwait, Saudi Arabia and Libya) are in the league of nations commanding GNP per capita above U.S. $5,000.00; and it must be noted that the total population of these rich Southerners is only 0.5%
of the total Southern population. Thus 15.8 million rich people, out of 3 billion poor, cannot be deemed to constitute an alteration of the general Southern indigence. Secondly, the 28 high income (GNP per capita at U.S. $7,070.00) countries who are dominantly Northerners, represent less than 8% of the total human race, but control over 60% of the total world income. Thirdly, if we take the median countries (those with GNP per capita between U.S. $2,000.00 - 5,000.00), of which there are sixty (60) in all, it is found that, only thirteen (13) are from the South. And of this southern percentage, only three countries (Hong-Kong, Singapore and Trinidan and Tobago) do not have to rely upon the precarious source of oil revenues, for their national incomes and socio-economic well-being.

These are some of the significant features of the North-South Dichotomy, that tend to be ignored or played down by analysts and policy-makers, who see the political-economy of the contemporary world society as a multi-polar system of heterogenous economic units, in both North and South. In this conception, what unites the Southern countries is argued to be the fact that their mass populations must commonly subsist on incomes far below what can be deemed as adequate, by modern standards. A typical example of this attitude toward the North-South Dichotomy, is the Clausen Doctrine (4). What the attempts at the disaggregation of the South fail to appreciate is that, the more than 125 African, Asian and Latin American countries are united into a Southern bloc, not only because they share a common situation of economic underdevelopment and a common historical experience of 'colonial exploitation', but more because they have been structured by the political-economy of world society, to exist in a common state of 'dependency' on
One of the consequences of the extreme income inequality between the rich North and the poor South, is the fact that over 40% of the human race (mostly the peoples of the South) are so poor and deprived of the requisite means of meaningful social life that, they hardly enter the world economy as effective consumers of global material/cultural life. (see Figs. 2 & 3 in the Appendix). Indicative of this gross disparity between the life standards of the peoples of the North and those of the Southern population, is the fact the American women spend more money each year on ‘cosmetics’ alone, than there is in the yearly combined budgets of the Sub-Saharan African countries.

Poverty, is of course, directly correlative with lower levels of bio-social well-being. This, in turn has negative effects on the capacity and ability of the victim, to escape the consequent entrenchment in the poverty circle, through the production of goods and services. Thus, as the charts in Figs. 2, 3 & 4 in the Appendix illustrate, it is by no mere coincidence that the Southern countries consume or utilize lesser amounts of global resources, as compared to the consumption rates of the Northerners. The rich/developed countries of the North together, appropriate and utilize 81% of the world's total supply of energy; 85% of its steel, 89% of its metal-bearing ores (copper, lead, tin, zinc, aluminium, nickel and silver), 71% of its fertilizers, 93% of its pesticides, to name but a few selected items, as charted in the Appendix. Most of these resources, especially the energy products and those related to food production (fertilizers and pesticides), happen to be the vital needs of the Southern countries at present, but they are deprived of their use because they lack the
means of acquisition—foreign exchange. Ironically, it is the Southerners who produce the greatest amount (66.6%) of the commodity (Gold) by which the global liquidity and exchange systems are governed. The total monetary reserves of the South, (with a population of over 3 billion) held in gold at present is 9.7% of the world total; the North holds the remaining 90.3% (5).

Over all then, 3 billion human beings are forced to subsist on a mere 15–20% of the world's resources, while 1 billion disproportionately consume the remainder. And lest a counter-argument suggests that the North's levels and rates of consumption are justified by the higher industrial demands of their economies, it must be pointed out that not all of the resource appropriations by the North are immediately consumed or utilized in production of goods and services. In the light of the current world crises of resource scarcity and inflation, in which the 1973 and subsequent increases in the price of oil and other raw materials, have drawn out 'doomsday' predictions about the increasing rate of depletion of the natural resources of the Earth, the Northerners have adopted the strategy of 'conservation' through 'hoarding'. At the same time that they were vehemently protesting against OPEC cartelization, and even threatening military reprisals, the industrial Western countries were not only stockpiling OPEC oil (so as to later release and glut the world market), but also cutting-back on their own domestic production. Just as the EEC burnt 'butter mountains' and Northern farmers feed surplus grain to livestock to maintain stable world prices, so do they keep their energy underground and in silos, so as to maintain the profitable operations of their national-based Transnational Corporations.

The greatest underutilization of global resources by the
North, however, occurs in the use of pesticides and fertilizers. 3 million tons of fertilizers are used each year, on the lawns, cemeteries, parks and gardens, and golf-courses, in the United States of America. This is twice the amount of the product urgently required to revitalize the barren agricultural lands in the poor South. Whilst the English and other European scenery is ensured of this 'evergreen' look, by the intensive application of the fertilizers, the peoples of the South must contend with yearly bad-harvests, due to lack of adequate fertilizer inputs. It now appears that when the U.S.A. and Japan imposed their 'export embargoes' on fertilizers in 1974, they were more concerned with the state of their parks and gardens, than they were with the international declaration of 'war on poverty and starvation', to which they were vociferous subscribers. Another dimension of the North-South imbalance in the appropriation and consumption of fertilizers, which must be noted is that, even for strictly economic purposes (as opposed to humanitarian ones), the South has a stronger and more rational claim to the use of the product, than the North. In general, this agricultural input has an addictive effect, in the sense that greater quantities are needed to get the same results on intensively cultivated land. On the basis of the economic law of 'diminishing returns', it would appear that, the Northern countries by applying the product to their less intensively cultivated farms, are actually wasting the product, and the theory of 'economies of scale' should predispose the much used agricultural lands of the South, to be the greatest users of the product.

2.3 STAGFLATING/UNDERDEVELOPED ECONOMIES, IN A WORLD OF UNPRECEDENTED SCIENTIFIC AND TECHNOLOGICAL ACHIEVEMENTS

Of fundamental significance in the relationship between poverty
and the socio-economic inequality which causes it, is the poor person's inability to break through the vicious circle of entrenched needs. Since the victim's emancipation from poverty depends upon the opportunities available, for the acquisition of the means of emancipation, the persistence of the condition of poverty, for any person or group in society, must be viewed as a function of the structural relations between poor and affluent members of the society. Poverty and Affluence are binary oppositions which, not only define one another, but also create a socio-psychological situation in which, perceptions of the possible pay-offs in the social relationship between the segregated groups (poor and affluent), become essentially 'zero-sum'. The affluent group, whether it considers its privileged situation to be naturally ordained or acquired by its own efforts, is still conscious of the fact that, in as much as that position is a reflection of and an organic function of the position of the underprivileged, it must always strive to maintain the terms of the structured relations, in order to ensure the stability of its privileges. Whether this consciousness is a rational attitudinal disposition or a behaviour paranoia, the rich entity is always found to be very concerned with policies of 'exclusion' of the poor via the strategy of 'insulation' of its position. The only concessions it would make to the poor are those which do not threaten incursions into it's privileges.

Nowhere are the rich/poor behaviour syndrome and associated psychological dispositions more demonstrated, than in the current North-South Dialogue (i.e. the ongoing attempt at a negotiated New International Economic Order or NIEO). But in order not to anticipate later discussion of this aspect of the political-economy of World Society, the exposition continues, at the moment, with the descriptive
and quantitative account.

(a) The Facts:

The immense gap between North and South, relative to their respective levels of economic growth and development, and standards of material/cultural life, has been well documented in the voluminous literature of both Political-Economy and Developmental Studies. In this Thesis, the empirical evidence is provided in the charts in the Appendix, which depict the levels of production, infrastructure, rates of economic growth, patterns and terms of international trade, balance of payments accounts, national foreign debts and reserves, as the socio-economic indicators of the North-South Dichotomy. Several reasons and theories have been advanced, in the numerous works bearing on the subject, to account for the Dichotomy. And of the factors which have received the greatest analytic attention, those of the 'colonial legacy', the 'neo-colonial impasse', the adverse terms of international trade for the South, the 'South's national debt burdens', the unbearable cost and unfavourable terms of capital/technology transfers to the South, global inflation, and the socio-political instability of the Southern countries, may be mentioned. Reinforcing these historical, trade and financial factors, have been the structured economic relations between the developed countries and the underdeveloped ones, which take the form of 'core-periphery' relations, and of which institutionalization is traceable to the 1945 Bretton Woods arrangement under which, institutions like the World Bank, International Monetary Fund (IMF) and the General Agreement on Trade and Tariffs (GATT) came into existence.
Taken individually or collectively, these factors do have considerable significance in the causal analysis of the North-South Dichotomy. There can be no doubt that the European and American colonial empires carved from the African, Asian and Latin-American territories, from the 18th to the mid 20th centuries, greatly aided the economic growth and development of the majority of today's industrialized nations of the North, at the expense of the Southern countries. The citadels of Western capitalist civilization, in particular, could not have been possible without that colonial domination and exploitation. It was not only the gold, mineral and raw materials of the colonies that were looted, but a considerable portion of their populations provided the labour force (slaves), in the Western drive toward modernism. Today, the residues of the colonial system can still be counted, in the quasi-slave treatment of Black and Coloured peoples in Apartheid South Africa, the 'second-class' citizenship of Black people in North America and Europe, the strangle-hold that Western-owned Transnational Corporations have over the economies of the Southern countries, the latter's inheritance and continuous reliance upon bureaucratic institutions which were purposely established for colonial exploitation, and the legacy of artificial political boundaries, which lack national or tribal coherence and, by being pregnant with social conflict, inhibit the progressive administration of these former colonies.

Neither can it be doubted that, the present world economic system as structured by Bretton Woods, works to the disadvantages and detriment of the Southern countries. Whatever the dispute and arguments concerning the just nature and economic rationality of the Bretton Woods regime, there can be no doubt that its ideology, as manifest in its
practical consequences, sought to institutionalize the terms of trade and other economic relations, which existed between the colonies and their metropolitan masters, in ways in which the newly independent African, Asian and Latin American countries would continue to play their former 'colonial role', as suppliers of cheap raw materials, labour and resources of capital formation to the West, and consumers of the latter's expensive manufactured products. The relative poverty and underdevelopment of these former colonies have today, reduced their value as the most important consumer markets for the products of the North, with the effect that the Northerners have become each others best trading partners. On the other hand, this change has not affected the utility of the Southern countries, as the most lucrative and low-cost areas of investment, as compared to investment in the North. An investment outlay in the South yields 2-3 times the profit margin of the same outlay in the North. And the reasons for this are not difficult to find. The South offers abundant supply of cheap labour, cheap energy, cheap raw materials, considerable economic concession in tax-free holidays, repatriation of profits and incomes, and carte-blanc cheques for the use of domestic credit facilities, for the investing foreigner. In addition, Southern economies are virtually free of the 'industrial conflicts' between labour and capital, which characterise Northern industrial relations. The overall result is that the cost of production in the South is considerably very low, relative to the rate of profitability.

In the light of these factors, it would appear that only the unrealistic or ethnocentric Western analyst, would persist in the argument that, the capital and technology transfers to the South, are really beneficial to the recipients. The question of 'tied aids'
(which most of these transfers entail) apart, it can be revealed that most of these Northern transfers to the South are either profitable investments to the donors, or political strategies for the co-optation of the decision-making apparatuses of the recipient countries. As is revealed in later paragraphs of this Essay, the so-called Northern aid comes to the South in large part, in the form of 'old discarded clothing' of Northern citizens, and 'rotten food' consciously packed and shipped to Southern refugees and disaster-stricken areas, while barely 25% of the official multilateral Aid of 0.7% of GNP agreed by the Northern donor countries, under the U.N. DAC (Development Assistance Committee) scheme, is discharged every year. Also to note at this stage of the discussion, but to await detailed treatment later, are the effects of the Northern 'military-industrial' complexes, and associated 'arms race', on Southern economies. It would be argued that the influence of these phenomena on the national policies of the South, leads to the misuse of these countries hard-earned foreign exchange, for the procurement of armaments to keep incompetent and corrupt regimes in power.

2.4 THEORETICAL CONSIDERATIONS IN THE ANALYSIS OF THE NORTH-SOUTH DICHOTOMY

The pertinent question that arises from this brief descriptive account of the North-South Dichotomy is, "to what extent can we rely on the above mentioned factors, to provide adequate explanation of the persistence of the underprivileged circumstances of the Third World countries, vis-à-vis those of industrialized nation?" In answer to this question, I take the theoretical position that, whereas reference to these factors provides insight and understanding of the historical background and, the structural dynamics of the Dichotomy, such reference by itself, cannot lead to the development of a general theory of human social inequalities with which, the phenomena of development and under-development and, associated socio-economic conditions of the people whose life they affect, can be understood and explained. It must be observed that, the North-
South Dichotomy in the political-economy of world society, is but the global dimension of the system of social stratification, which is a universal fact, relative to the structural relations observable in virtually all the countries in the world today. (6) This implies that identical or even the same structural forces of socio-economic inequality at work in the domestic system, must be at work in the global system. In which case, what differs between the North-South Dichotomy and the segregation of privileged and underprivileged individuals/groups at the domestic level, is basically the political variable of the 'formal autonomy' of the element embraced by the stratification system. For individuals and groups governed by centralized politico-legal systems at the domestic level, we find politically autonomous units at the global level. From the perspective of casualty and maintenance of the structural relations between privileged and underprivileged elements, what is fundamentally involved in the North-South Dichotomy are the processes by which, minority elements appropriate and disproportionately enjoy the bulk of world society's material and cultural life, to the deprivation and, detriment of the mass of mankind.

To provide adequate explanation of these processes, a frame of reference that transcends observable facts (historical and structural), is deemed necessary, for the following reasons: First, the North-South Dichotomy refers to a state of affairs that is more than the 'objective conditions' of existence, of the developed and underdeveloped countries.
in the world economy. It refers to a process of creation and maintenance of unequal socio-economic and political relations in which, the resultant structural reality is basically intersubjective – the behaviour orientations of the actors involved, are both responses to and reinforcements of the imperatives of the system so created. By this is meant that, what causes and maintains the structural relations, must be seen in the power relations between men in society. And in all power relations, conceptions of 'zero-sum' pay-offs from the interaction, dominate consciousness. Thus, at the causal level, we must define the North-South Dichotomy to be a function of the struggle between nations (or their ruling elites), in the 'human quest' for freedom of manoeuvre within an environment of actual and potential constraints. Similarly, the forces maintaining the structured relations derive from the 'power consciousness' of the actors. (7)

Given the central role that 'power relations' play in social stratification, the second point to note in the analysis of the North-South Dichotomy is that, its observable historical and structural features are but manifestations, of a far more fundamental societal force – that of the historical transformation of human social relations from those of symmetry and centricity (which characterized the natural economy of primitive man), into those of asymmetry and decentralized or individualized life, in the 'market-commodity exchange economy of modern man.'(8) In the process of this transformation, the Capitalist mode of social formation has come to dominate the evolutionary stages, and to talk about capitalism is to talk about 'class relations' which constitute the essence of the capitalist relations of production, distribution and consumption of material life. In this respect, the viable frame of reference in the causal and structural analysis of the North-South Dichotomy, must be 'class relations' as engendered by the mode
of production in the domestic economy, and the domination of the global economy by 'capitalistic principles and institutions!' At the level of causation then, the domestic underdevelopment and international dependency of the Third World countries, vis-à-vis the development of the industrialised countries (which define the North-South Dichotomy), must be seen as twin moments of one historical process — that of the global expansion of capital, from its initial growth in Europe. (9)

More than this, the dichotomized circumstances of North and South, must be seen as having a structural relationship that is essentially one of 'functional interdependence'. That is, not only has the process of development of the Northern countries simultaneously entailed the relative underdevelopment of the South, but the asymmetrical relations so created is functionally indispensable, to the solvency of the Northern economies, especially if these countries are to maintain their national populations (or privileged classes) in their accustomed high standards of material/cultural life.

The theoretical position stated above can be considered as the rationale of this Thesis, and detailed exposition is provided in later chapters. It has, however, an epistemological dimension which states that, in the study and explanation of such intersubjective phenomena as the North-South Dichotomy and the underdevelopment of the Third World, there is a need for analytic consideration to transcend the observable, into realms of the essences of the facts. This is a phenomenological stance, and the basic, methodological argument is that, to appreciate the dynamics of the historical and structural factors of the phenomena, it is not only how the phenomena emerged and what maintains them, that must be revealed, but more important, why that particular phenomena as
opposed to conceivable alternative state of affairs. How or what determines human social inequalities, is a significantly different question from 'why there should be human social inequalities'. There can be no doubt that the latter question has normative connotations, for it assumes the possibility of an alternative state of affairs to the perceptible reality. However, the normative element involved is not necessarily 'value-laden', since there is no attendant statement of justification or condemnation of the system of inequality. On the contrary, it amounts to a concern with variables which are not directly susceptible to 'observation statements', and hence, not amenable to empirical validation (as the canons of Positive science prescribe); in other words, what is generally considered by those apostles of 'scientism' as metaphysical.

Now, it is my belief that the social sciences stand in urgent need of analytic frameworks in which more of 'why questions' are asked, for the following reasons. We live in a modern world of increasing tensions and antagonistic relations, most of which have led to social strife, inter-group conflicts and inter-state wars, and potentially threaten the very survival of the human race, given the powder-keg of the 'nuclear holocaust'. Few would deny that the principal source of these situations can be found in the inequalities amongst individuals, groups and nations, as engendered by discriminating and exploitative patterns of distribution of material life, political power and civil rights, throughout the world. In the light of these factors, it is about time that the scientific enterprise, especially that of the social sciences, begins to pay more attention to prescriptive analysis, aimed at the development of models by which some of the
numerous problems of the modern world, at both domestic and global levels, can be solved. If in saying this, I invite the charge of being normative in the 'value laden' sense, then my reply is that, the epistemological relevance of any system of thought or body of knowledge, should not be determined solely by the criteria of 'systematic development and objective construction' of propositions and theorems, but also by reference to the practical benefits (to the whole of mankind), which can be derived from the relevations of such propositions and theorems. In the last analysis, the social and intellectual responsibility of the scientist is fulfilled, not merely by strict adherence to the canons of 'objective science', but more significantly, in the contributions that scientific findings make to the progress of the human race. It cannot be deemed as progress if millions starve and die in the midst of plenty, or if the immense achievements of science are misused in destructive forms like the vast commitment of scientific and technological know-how to the production of armaments, so that modern man can wage war in the most sophisticated and devastating manner.

Over the years, much of the improvements achieved for the conditions of the underprivileged groups in society, in areas of education, health-care, housing, employment and conditions of employment, recreation, and other areas of social welfare, have been the result of the normative enquiries and provocative research findings of sociologists and philosophers. It is obvious that such intellectual influence in the reformist policies of national governments, would not have come about, had the thinkers restricted their enquiries to aspects of social reality or social problems at which, abstractions can be
subjected to 'objective' observation, propositions and validation. Whilst the 'political will' to make the world a better place for all mankind, is appropriated by a few powerful wise-men or decision-makers, it is the duty of those who can stand away from the stormy weather of power-politics and parochial group or class interests, to represent the sanity of mankind in a world growing more insane everyday. Now, compared to the reformist record of the social scientist at the domestic level, that of the International student on the global theatre has been very dismal and disappointing, to say the least. With the exception of perhaps military-strategic matters, very little attention and use has been given to the research findings of the International student, by policy-makers. It could be said that, the lack of influence from academia in the foreign policies by which the patterns of international relations have been shaped, must be attributed to the 'high politics' nature of the global system. For in a state of affairs in which, the interests, policy orientations and activities of nation-states are dominated by 'security' and 'national sovereignty' considerations, decision-makers are not easily swayed by the moral counsel of ivory tower intellectuals. But this is half the truth of the relationship between the International student and the practitioner of politics, at the global level. The research performance and results of the academic community concerned with the global system, have not been very impressive in the direction of production of knowledge that could be relied upon, for the progressive reconstruction of world affairs. Most of the time, scholarship has mainly concerned itself with descriptive accounts of how the global system and its institutions work, and few works have actually adopted the
critical stance of revealing the inequities of the system, with persuasive recommendations for its reform. Where International Theory has ventured into burning and controversial issues like the North-South Dichotomy and its consequences for the greatest number of the human race, the general result has been the proliferation of semantics and conceptual muddles, in the treatment of the phenomena in question. And yet, International Theory used to be a discipline whose scholarship tended to be in the direction of 'prescriptive analysis', more than any of the other social science disciplines. The factor responsible for this change in the intellectual concerns of the discipline, can be identified as the 'fetish of scientism' - a general social science movement toward objectivism in which the 'numbers game' takes priority over all other considerations. In other words, contemporary International Theory can be indicted for its failure to come to grips with the realities of the global system, and for its unwarranted attention to matters of 'method', at the expense of substantive matters. The frame of reference of this critique (which is conducted in the chapters of Part 2 of this essay), is the Realist-Behaviouralist-Post-Behaviouralist controversy over the question of 'appropriate mode of analysis of the global system'.
NOTES TO CHAPTER TWO

1. See F. Fanon - "Wretched of the Earth"; Penguin, 1967, p.150.

2. The base year chosen for the statistical evidence in this study is 1978. This year provides the most accurate and up-to-date data for cross-national comparative analysis.

3. The Bar and Pie Charts in the Appendix provide graphical illustration of the socio-economic inequalities separating North and South. The income groups, determined on the basis of 1978 GNP and GNP per capita, are as follows:

Group I. - Low income countries include all countries with GNP per capita at or below U.S. $200.00. These are the resource-scarce countries or the LLDCs.

Group II. - Middle income countries are those whose GNP per capita exceed U.S. $200.00 but not above U.S. $1,999.00. This group includes 'oil exporting' (but not capital surplus) LDCs, industrializing LDCs, and the less affluent members of the OECD (Greece, Turkey, Spain and Portugal), plus the poorer members of the East Socialist bloc - Romania, Yugoslavia and Albania.

Group III - Capital surplus OPEC countries (Kuwait, Libya, Qatar, Oman, Saudi Arabia and the United Arab Emirates).

Group IV. - The Western industrial countries or members of the OECD, excluding those mentioned in Group II.

Group V - Centrally Planned Economies, excluding Communist
China, Cuba, and those mentioned in Group II.

4. By the 'Clausen Doctrine' is meant the view expressed by the current president of the World Bank (Tom Clausen) on 'global interdependence in the 1980s', at the International Economic Conference held at Tokyo in January 1980. According to Clausen, it is unrealistic for the global system to be conceptualized in terms of the North–South Dichotomy, given the multipolarization of the world economy into at least eight groups of, Western Europe, North America, Japan, Middle Eastern Oil-Exporting, Eastern, the Industrializing LDCs and the LLDCs of Asia and Sub-Saharan Africa.

5. Northern 'gold acquisition' over the years, has not resulted simply from the market process of 'truck and barter'. The historical record of European colonial rule in Africa, Asia and Latin America, shows the major means of acquisition to have been military plunder and other forms of forceful appropriation. The historical cases of Spanish Conquistadors in Peru, English Mercantilist bullion ventures in India and West Africa, and the dispossession of Red Indians by White Settlers on the American continent, all attest to this. More recently, such sophisticated but by no means less treacherous methods as speculation and manipulation, of the International Financial and Liquidity markets, have been employed by the Northern countries. A case in point was the recent 'gold coup' achieved by the OECD countries. While the Third World countries were following the Western advice, to keep their international reserves in dollars ('because the dollar is as good as gold at all times'), the advisers were keeping their own
reserves in gold. The result was that the revaluation of the world price of gold, between 1974 and 1980, earned the OECD countries a total aggregate surplus of U.S. $444.5 billion on their reserves, compared to the Third World gain of a paltry U.S. $44.6 billion. In an article, "The Great Gold Swindle", published in the March-April, 1981 issue of "South", the authors - D. A. Brodsky and G.P. Sampson - estimated that, had the Third World countries ignored the Western advice and kept their reserves in gold, their net gain from the price revaluation would have been U.S. $147.00 billion.

6. For cross-national comparison, the ideal framework of analysis of domestic patterns of socio-economic inequality, should employ a uniform and comprehensive criteria of distribution of material/cultural life, encompassing such indicators as wealth and income, welfare facilities, educational opportunities, incidence of taxation and tax concessions, by which social groups are segregated. But while such a criteria could help eliminate national variations, the lack of statistical records, accurate data or accurate means of compilation and computation of data (accentuate Third World problems), and official secrecy (most prevalent in the Socialist countries), inhibit the development of such framework.

Nevertheless, the limited criterion of 'income distribution', employed by Jain and Tiemann in their study of relative inequality and absolute poverty in 66 countries, provide the following useful information. On 'relative income inequality' (defined as variation of the income share of groups of individuals or households from the population share) the study found that, while the socialist countries (Yugoslavia, Poland, Hungary, Bulgaria and Czechoslovakia) had the
highest degree of overall equality of income distribution, they still maintained socio-economic stratification of households in which, the lowest 40% of the population enjoyed not more than 25% of total national income, while the top 20% enjoyed between 36-40%. Western-capitalist patterns of income distribution showed less equality than those of the East socialist. In the West, the bottom 40% had not more than a 16% share of total national income, against the 40-50% share of the top 20%.

Greater relative income inequality among households was more characteristic of the Third World countries (OPEC excluded). In more than half of these countries, the income share of the bottom 40% of the population fell below 12%, while the share of the top 20% averaged 65-70%. The measure of absolute poverty (families whose incomes fell below a level sufficient for subsistence, relative to national standard and cost of living), was found to be very characteristic of the Third World countries. Thus, in 1969 17.4% (42.4 million) of total Latin American population, lived below the poverty line of U.S. $75.00 per annum. The corresponding data for Asia read 36.1% (321 million), and for Africa 43.6% (36.6 million). See S. Jain & A. Tiemann - "Size Distribution of Income: A Compilation of Data"; Development Research Paper No. 4; mimeographed World Bank, 1973.

7. 'Power relations' cannot be ruled out in any discussion of social structural relations, whether we are dealing with causality or effects. What creates the hierarchy of socio-economic groups are not just the principles of income distribution (example, the belief in the natural inequalities among humans). More significant are the power relations deriving from the conflict of groups' interests. A group emerges victorious from this power play on the basis of its possession of advantages in the material and political relations of the society,
and imposes its will (value-system, concepts of truth and morality, and organisation and administrative procedures), on the other groups. Once the social order is established in this sense, the dominant group strives to preserve the status quo, by employing strategies which insulate its privileges and excludes other social groups, and with the consciousness that the structured order is the natural condition of social life.

8. By the concepts - 'symmetry' and 'centricity' - I refer to the principles of equality and redistribution which governed the material relations of primitive societies. The anthropological studies of Malinowski of the Trobriand Islanders (see B. Malinowski - Coral Gardens and Their Magic: vols. 1 & 2; N.Y. 1935), and K. N. Llewellyn & E. A. Hoebel - "Cheyenne Way"; Oklahoma, 1941; reveal that, not only did members of a productive unit (say a hunting band) have equal shares of the fruits of the collective labour, but members of the kinship family not directly involved in the activity, were also entitled to shares. This implies that primitive relations of production were articulated, not on the basis of economic rationalities, but ideological grounds (custom and tradition). The principle of centricity involved the equalisation of material life for all, through the operation of communal welfare processes in which, surplus labour appropriated by the communal authority (say head of the kinship family) was recycled to the benefit of the whole community, in the form of redistribution as ceremonial gifts and festive consumption.

9. This proposition which occupies a central position in this Thesis, is fully exposed and defended in Part III of the Essay.
PART TWO

A CRITIQUE OF CONTEMPORARY INTERNATIONAL THEORY AND THE EPISTEMOLOGICAL CASE FOR CLASS ANALYSIS

"The debates are never-ending. There is a constant tug-of-war between the positivists who would have a science of method itself and a systematic body of rules for determining with some precision the status of any analytic statement, and the epistemological relativists, even anarchists, who see such attempts not only as unnecessarily constraining, but also as neglectful of the social contexts in which explanations grow, of the assumptions of practitioners, and of the purposes they serve".

CHAPTER THREE

THE MODE OF ANALYSIS PROBLEM IN INTERNATIONAL THEORY

International Relations, in the short period of its existence as an academically taught subject (from the 1920s), has certainly developed fast. Today, few are the institutions of higher education in the world that do not cater for courses dealing with subjects of the global system. Beside the possession of independent academic chair, the discipline has made inroads into areas of social phenomena, that once were the exclusive reserves of the older social science disciplines. For instance, it bridges the gap between sociology and economics on the one hand, and International Politics on the other, by its concern with 'development studies'. At the same time, it strives to free itself from the status of a 'sub-discipline' of Political Science. The credit for the disciplinary maturity of International Relations, must surely go to the historian, juriconsults, diplomatic commentators, and other social scientists whose articles and discourses have largely informed the voluminous literature of the discipline.

One characteristic feature of the growth of the discipline, however, must be the eclectic nature of its scholarship. The discipline has developed, more with the adoption and adaptation of the analytic concepts, methods and models of the older social sciences (political science, sociology; economics, history and even mathematics), than with its own innovations. And it is this eclecticism that contains the seeds of the current scholastic problems of the discipline.

Eclecticism has had both positive and negative effects on the
development of International Theory, in the sense that, the discipline has benefited from the wisdom and research experiences of the older social science disciplines; it has also inherited the latter's intellectual problems and dilemmas. Alongside the analytic tools and research findings bequethed to International Relations, one finds a 'spanner in the works', namely, the perennial Naturalist-Humanist controversy over the issue of 'scientism' in social science at large. The Positivist's demand for a science of method (value-free research based upon deductive logic) in social science, and the rejection of this by the Hermeneutical schools, present International Theory with a mode of analysis problem, that has considerably altered its scholastic orientation in recent years. In the beginning, the study of the global system neither shunned normativism nor eschewed prescriptive preoccupation - world peace and security research attention was primarily directed at the discovery and prescription of the ways and means by which, the practitioners of world politics can be persuaded to live in peace and harmony. The history of International Theory up to the 1950s attest to the dominance of such intellectual orientations.

1. NORMATIVISM IN TRADITIONAL INTERNATIONAL THEORY

The period up to the outbreak of the First World War in 1914, has generally been considered the Age of Ethical Prescriptions in the study of International Relations. During that period, all ideas about the global system were furnished by the official representatives (diplomats, juriconsults) of the nation-states (mostly European) dominating world politics with a sprinkling of historical commentary.
These forerunners of the modern student of International Relations, were more concerned with the clarification of the rights, privileges and obligations of states, and the codification of the rules and principles of International Law. And they studied the global political system with the principal aim of providing the knowledge and advice, which could facilitate the achievement of the politico-legal interests of the sovereign actors they represented, on the global theatre. But their scholarship was not limited to these objectives, for they also occupied themselves with the development of models of International political relations in which, international trade, commerce, diplomatic and other forms of interstate interaction, could be conducted peacefully. The Age of Ethical Prescriptions ended with the outbreak of War in 1914.

In the aftermath of the First World War, statesmen and scholars appalled by the violence, human deaths and misery of the war years, began to examine inter-state power politics systematically, with the aim of finding the means to the reduction of causes of warfare. War, and conflict situations that threatened world peace and security, were defined as functions of irreconcilable national interests, hegemonic policies and aggression of the nation-states. Subsequently, measures were recommended from the direction of both academia and statesmen, for the elimination of these causes. Amongst some of the prescriptions tendered may be mentioned, the institutionalization of states' rights and obligations under International Law, the reaffirmation of the principles of sovereignty, territorial integrity, the self-determination of all nations, and the outlawing of state aggression. The right of states to 'self-defence' was confirmed, but recommended to be enjoyed
under the international regime of 'collective security'. It was these moral codes which stamped the period, 1918 - 1939, in the history of International Theory as the Age of Utopian Institutionalism. Amongst the personalities who championed the 'reformist crusade', the name of Woodrow Wilson (then President of the U.S.A.), comes to the fore. His 12 Open Governments which promulgated the Charter of the League of Nations, constituted a charter for the democratization of power relations in the global system.

On the whole, Utopian Institutionalism, and the League of Nations system it gave birth to, sought to create a more legalized, peaceful system of international politics, with the ideas of 'collective security' and 'balance of power under the custody of the great powers', as its major instruments. Needless to say, the expectations built about the League system and its politico-legal instruments, failed to materialize. Neither world peace nor the reduction (let alone the abolition) of inter-state aggressive politics, could be guaranteed under a system whose instruments depended upon the consent of recalcitrant sovereign actors, for their effectiveness. Thus, the League of Nations regime failed, largely due to its inherent impotence to control the behaviour of actors who saw the 'rules of International Law' as additional instruments of power politics, to be manipulated; a situation envinced clearly in the wave of 'fascist aggression' in Europe and Asia, and in the 'imperialist-rivalry' of the European nations, throughout the inter-War years.

The failure of the League system, was academically most significant, in its revelation that Utopian Institutionalism had been nothing more than an attempt, to provide philosophical and legal support for the status quo of European global hegemony, as the best
post-1918 disposition of world affairs. In other words, the recon-
stitution of the 19th Century Concert of Europe which was disturbed
by the outbreak of the First World War. In this respect, the study
of the global system by the Utopian Institutionalists, remained a
highly emotional form of diplomatic history and legal discourse,
and the only difference between the scholarship of that period and
that of the preceding period of Ethical Prescriptions, was the
introduction of 'current affairs' into the curriculum of the
subject, which the previous scholarship had lacked.

With the outbreak of the Second World War in 1939, the
impotence of the League of Nations in maintaining world peace and
security, and the fallacy of the functional assumptions which has
provided the foundations of the regime, could no longer be in
doubt. The consequence was that post-1945 International Theory
not only became anti-utopian, but normative considerations dis-
appeared quickly, in the face of 'intellectual pragmatism'. The
period 1945 to the early 1950s in particular, was dominated by a
'political realism' whose advocates studied the global system and
advised policy-makers, from a 'machiavellian position'. To them,
the definition and practice of international politics, as essentially
involved with the power-struggles of actors whose interests could not
be reconciled, provide a more realistic understanding of the global
system, out of which solutions to the problems of world peace and
security could be developed. In the view of a writer like E.H. Carr
whose book, "THE TWENTY YEAR CRISIS", spearheaded the Realist tide,
the faith of the Utopian reformers had been misplaced; man is neither
perfect nor perfectible; reason and morality has no place in the
study and practice of international relations, and institutions can
never be reformed or war eliminated.

Where the Utopian Institutionalists had played down 'power politics' in the study of world affairs, the Realists elevated this factor to the locus of the global system. In their view, International Relations were essentially inter-state struggles for hegemony in which, the question of national security (often defined beyond territorial integrity to encompass territorial aggrandizement, diplomatic supremacy and economic power), overshadowed all other matters. Such power struggles, according to Hans J. Morgenthau (who provided the first analytic articulation of the Realist's International Theory), takes place between two main types of competing states - established hegemonial states (status-quo powers) and emergent ones (imperialist powers). And it is the endemic competition and conflict between these for control of the global system, that determines the patterns of international relations. For Morgenthau, any attempt to rectify this state of affairs through legislation, or other forms of institutional arrangements, is found to be futile, because the 'national interests' with which the states enter the global political arena, are irreconcilable; the actors' conception of the indivisibility of 'national security' leads them to perceive the pay-offs from the system as essentially zero-sum. And this, inevitably, leads to the adoption of policies of confrontation. For the Realists, therefore only the intellectual appreciation of the 'real-politik' nature of the global system, and the acceptance of the inevitability of its 'macht-politik' provide the keys that unlock the riddles of the system, as well as provide the scholar with the insight to understand the system's processes, so as to give useful advice to the practitioner. (1)
Realism's interpretation of international relations as essentially power politics, based upon irreconcilable national interests, and its advocacy that a 'machiavellian conception' at the intellectual level informing the policy guidelines of the practitioner, holds the better promise of reform of the global system, may have confounded the moral predilections of the Utopian Institutionalist. But both the Realist's paradigm and scholarship did not depart from the tradition of prescriptive analysis in International Theory. For both implicit and explicit in the school's interpretation and analysis of the global system, was the idea that, the establishment of 'balance-of-power' mechanism (to counter-act or deter the aggression of hegemony-seeking states), holds the key to the achievement of world peace. Recommendations of this kind pervade most Realists' writings. A typical example is Morton Kaplan's model of the Global system in which, six subsystems - balance-of-power, tight bipolar, universal, hierarchical and unit-veto- appear as the ideal components. (2)

In fact, the idealization of a peaceful international system, governed by balance-of-power mechanisms (of either the gestalt or controlled types) has classical origins. It founded expression in Francis Bacon's description of the triumvirate of kings, during the 16th century reigns of Francis I, Henry VIII and Charles V, in the following terms:

"There was such a watch kept that, none of the three could win a palm of ground, but the other two would straightways balance it, either by confederation, or if need were by a war; and would not in any wise take up peace at interest" (3)
On the other hand, the Realists support for a balanced international power system, was advocated not in terms of institutionalization, or out of moral considerations. On the contrary, they saw such a system as the outcome of the 'universalization of national interests', growing out of the mutual apprehensions of the nation-stakes about the dangers and threats of the nuclear world. The rational apperception of the common danger facing all mankind from nuclear war, would be the compelling factor in the formulation and implementation of foreign policies, in such terms and by such means as to make the pursuit of national interests, compatible with the universal needs of world peace and harmonious international relations. In order words, the faith of the Realists, regarding the question of International Theory influencing policy-makers in the direction of peaceful international relations, lay with the rationality of policy-makers to see that, accommodating rather than conflicting foreign policies, constituted the best course of approach to the conduct of international politics. Against the background of the failure of 'collective security' to live with the right of states to say 'no' to international delimitation of their sovereignties (as exemplified in the numerous uses of the 'veto' at the Security Council of the U.N. since 1950), the Realist's sceptical views about international regimes for world peace and security, appeared vindicated.

2. THE END OF IDEOLOGY AND BEHAVIOURAL INTERNATIONAL THEORY

By the mid-1950s, the Realist's hold on International Theory was receding. The school's assumptions about states' interests and behaviours in the global arena, as well as its theoretical views on
the world political system, came under strong critical attack from the Behaviouralists. Behaviouralism relied upon the changing international scene (i.e. transnationalization of world affairs), for both the redefinition of the global system and, for the recommendation of the 'appropriate mode of research and analysis of that system'. The world political system, they argued, could no longer be defined in 'state-centric' terms in which, a 'billiard-ball' model of inter-state relations could easily be accommodated. While conflict relations existed in the new transnational system, there was an increasing trend toward negotiated settlement of disputes, as opposed to the traditional use of force. To the Behaviouralists, the great ideological cleavage of East and West was giving way to the co-existence of Capitalism and Socialism, at not only the level of global society but also within the domestic societies of the world. The thaw in East-West Cold War confrontations (exemplified in Russo-American detente), the partial disintegration of the NATO and Warsaw alliance systems (viz. France's decision to develop nuclear capability independent of American strategic domination of the West, and the Sino-Soviet conflict which split the East communists), and the vast proliferation of armaments, including nuclear weapons, to the peripheral Third World countries, were developments which convinced the Behaviouralists that, the global political system was changing from bi-polar into multi-polar power relations. They also cited the increase in the number of non-sovereign actors, and the non-alligned ideological stance of the Third World, as additional factors which should predispose the theoretical conception of the global system, in transnational terms with a 'cobweb' model, indicating the plurality and mutuality of national interests entering world affairs.
With these perceptions of the global system, the Behaviouralists accused the traditional Realists of espousing a doctrine of political pessimism and cynicism, only possible with negative assumptions about human nature. According to this critique of Realism, notions like 'real-politik' and 'macht politik' can only be based upon neo-Hobbesian derivations; they are theoretical rationalizations lacking empirical substance, especially in the light of the changing climate of international relations.

Behaviouralism, in Political Science, is basically committed to the methodological unification of the sciences. That is, it sees one common mode of analysis to encompass the study of natural phenomena and the study of social phenomena. And in this epistemological position of the school, the tried and tested methods of the physical sciences are not only adaptable to the analysis of social phenomena, but would greatly enhance 'objectivism' in the social sciences. This is the doctrine of Naturalism, advocated from the premise of Positivist's canons of science, and entering the realm of International Theory via the Behaviouralist's demand for:

i) the theoretical unification of Political Science and International Relations, on the basis of systemic isomorphism of domestic and global phenomena, and

ii) the use of inter-disciplinary approach to the study of the global system.

On the whole, the Behaviouralist–Realist controversy, as it concerns the 'unity of science' idea, is two-dimensional. On the one hand, the two schools are in disagreement over the true nature and empirical boundary of the global system. On the other hand, the
Behavioural advocacy of a positive science of world society, based upon the doctrine of Naturalism, has enraged not only the Realists but also International students of the Humanist persuasion.

3. THE BOUNDARY DISPUTE BETWEEN REALISM AND BEHAVIOURALISM

At the core of the 'boundary dispute' lie the divergent views the two schools hold, on the possibility of arriving at a valid general theory of International Relations. For the Behavioural school, Political Science encompasses (or should encompass) both the study of domestic phenomena and the study of global phenomena, for the following reasons.

i) the systemic isomorphy in human relations at all levels of interaction.

ii) such isomorphy is indicative of common behavioural patterns, so that theories and propositions developed at one level of social interaction, can be generalized to other levels.

iii) the quest for a general theory of political behaviour, would be best served by the conception of global political phenomena as the interaction of 'systems', which are amenable to inter-disciplinary treatment. In the words of one advocate,

"When one begins to ask questions about power, deterrence, authority, in order to analyse even a particular event more deeply, one is led to thinking about the behaviour of systems generally". (4)

It is with these notions that Behaviouralism saw the separation of International Relations and Political Science, in the Realists paradigm, as placing a major obstacle in the path of the analysis of domestic and global phenomena, as interpenetrating systems. But the Realists, in
their rejoinder to this criticism, doubt that a universal theory of politics is conceivable, reseachable or attainable. In the words of Hans J. Morgenthau,

"Between the elemental aspirations for life, freedom and power which unite mankind, and which could provide roots for a world society and objects actually held by the human race, there intervenes the nation-state. Inevitably, then, the members of the human race live and act politically, not as members of one world society applying standards of universal ethics, but as members of their respective national societies, guided by their own standards of morality. In politics, the nation and not humanity is the ultimate fact" (5)

It is this kind of logical reasoning that has inspired the Realist’s critique of Behavioural International Theory and methodology, as not only leading to incorrect conclusions about the global system, but as also having a congenial inability to deal with the crux of the subject-matter, while basically delimited to peripheral aspects and marginalia. (6)

In this critique, Realism reiterates the traditional view that, power politics still constitute the raison d'etre of international relations, in modern times. The global theatre, they argue, is not like the domestic system in which, a central government endowed with sovereignty and inverted with the monopoly of legitimised violence, exist to control deviant and recalcitrant behaviour of subjects. Rather, the global system is uniquely anarchical, and hence, involves relationships which are bound to be conflictual, given the parochial
and irreconcilable interests with which the actors interact. These convictions are even carried to the extreme theoretical position that, whereas domestic politics fall within the realm of normal social relations, and hence have calculable behaviour patterns, international relations have abnormal dynamics which confound any attempt to develop grand or general political theories, in their explanation. (7)

4. EVALUATION

Broadly, the whole of the Behavioural position in the 'boundary dispute' can be summarized in three dominant ideas;

i) Conglomerate World Society. This considers the traditional 'state-centric' model as outdated and, effectively nullified by the influx of transnational actors. International relations are no longer bipolar and billiard ball, but cobweb and conglomerate because, the transnationals actors (some of which are more powerful than many states), maintain interests and loyalties which tend to cut-across national and ideological boundaries.

ii) Transnational Society. In this idea, the concept of the penetrated nation-state is stressed, to indicate the lack of political unity and autonomy of the contemporary nation-state, to pursue hegemonial and aggressive policies abroad. The multiple loyalties of national citizens (in terms of their possession of such universal values as independence, freedom of expression, and a sense of participation in the making of decisions that affect their lives) and their tendency to question or withdraw - political support from governments pursuing unpopular foreign policies (as was the case with the protest of the American public against the State's involvement in Vietnam in the 1960s),
are some of the new factors of socio-political relations at the domestic level, which reduce the autonomy of the nation-state within the global system, and make it just one among other component units of that system.

iii) **International Interdependence.** Not only have inter-group conflicts at the domestic level, born out of structured relations of inequality (class, race, etc.) made the modern nation-state as much a victim of socio-political disorder as its global counterpart, but the nuclear age, industrial technology, consumerism and materialism, are all forces bringing about greater international co-operative and negotiable relations. (8)

In the critical evaluation of the divergent conceptions of modern international politics, held by the Behaviouralists and Realists, the following observations may be made. Relative to the Behaviouralist's criterion of the changing empirical realities of the modern world society, few would deny the widening parameters of the system beyond the traditional inter-state politics, to encompass transnational relations. Neither would anyone seriously challenge the school's demand for a new paradigm, that can appreciate and highlight the roles and influences of the new transnational actors, in the determination of patterns of relations within the global system. But to move from these perceptions to the argument that, the new patterns of relationship have put 'international power politics' and the dominance of the inter-state system in the melting-pot, is a contention that must be re-examined, for its empirical substance. The truth or fallacy of the claim must be established since, the source of the theoretical and methodological disputes between the two schools, derive from their divergent conceptions
about the changing realities of the global system. In this context, the Realist's counter-critique of the Behaviouralist's 'cobweb' model of international relations, must be recalled.

In that critique, the emphasis on 'state-centricism' is maintained, on the basis that, transnationalism has not affected the roles and importance of the nation-state in the global theatre. Implied in the statements of Morgenthau and associates, the general argument seems to be this. Transborder movements of persons and property are governed by domestic legal and political factors (national emigration and immigration laws and inter-state treaties). The presence and activities of foreign nationals are processed by the governmental apparatuses of the host state; and if the international responsibility and treaty obligations of the state affect its national interests, they do so mainly by virtue of the apriori consent of its authoritative organs. In short, the nation-state in its continuous enjoyment of the exclusive prerogatives of sovereignty and territorial integrity, still constitutes the effective break-water or mediator of the interaction between domestic and global phenomena. Interpreted sociologically, the essence of this Realist argument is that, what really counts as a parameter of the global system, is not the mere universality or transcending nature of a behavioural trend, but the extent to which the activity or relation in question has significance for the 'foreign policy' decisions of those whose laws, rules and actions govern the global system. It is thus not surprising that the analysis of foreign policy, has been the dominant perspective in the Realists' study of the global system. It is a perspective that maintains a distinction between 'high' and 'low' political events, to arrive at the criteria for
the demarcation of the boundary of the global system, from that of the domestic system.

The Realists have a point with the above argument; but only a limited one. The need for criteria of demarcation of the boundary of the global system, can be recognised in the sense that, potentially, there can be no distinction between the 'strictly domestic' and the essentially international, if the concept of transnationalism is interpreted to encompass any phenomena that cuts across national political boundaries or, have implications beyond the domestic sphere. And in the modern world of universalised ways of life, only the most unique national or cultural practices and traditions would remain domesticated. Indeed, it is pertinent to ask why those who subscribe to the idea that, transnationalism has reduced inter-state politics to a mere component unit of the global system, have not paid the same amount of analytic attention to such mundane matters, as the universalisation of child-rearing practices, youth-culture, fashions etc., as they have done to matters of government, international conflict, economic growth and development issues? The answer to this must surely be supportive of the Realist's argument that, the study of the global system cannot be reduced to 'marginalia', but must be guided by some criteria of delineation in which, any phenomenon forming part of the subject-matter must have significance and implications, for the socio-political, economic, legal and strategic relations by which the global system becomes distinct from domestic ones.

On the other hand, the distinction between 'high' and 'low' political matters of international significance, may be a useful means of demarcating the most important transnational phenomena from mundane ones, provided its application gives consideration to two other
important factors.

i) That the analytic usefulness of the distinction finds expression in the identification of the issues, events and relations likely to attract the political interests and reactions of those actors (states, international institutions, and private organisations) whose activities provide the inputs of the global system.

ii) That the concept of 'powerful element' of the global system, is not exclusively related to the sovereign actors but embraces such other actors as the TNCs, IGOs, INGOs, Revolutionary Groups, Terrorists, and even some individuals (like the Pope) whose pronouncements attract international attention.

Incidentally, these are the considerations that are found to be relatively absent in the Realist's model and commentary on the global system. Realism appears to be more concerned with the sensational, news-catching and putative-power aspects of the global system, than it is with the hidden undercurrents. Thus, the mezzanine of international politics get more attention in the School's exposition, while the lobby is ignored. The reasons for this can be found, first in the 'empiricist bias' in Realist International Theory, and second in the schools tendency to reify the inter-state system within the global sphere. Both tendencies derive from the adoption of 'action perspective', to the exclusion of systems analysis, in Realism. Realist's empiricism (like all other empiricist approach to the study of social phenomena), concentrates on the 'observable'. And there is no doubt that inter-state affairs, foreign policy statements and conflict events, capture the headlines of the global media much more than other events of a transnational nature. In this respect, the activities of the most observable actor on the global plane (the nation-state), are deemed to constitute the most viable unit of analysis
of the global system.

That this perspective can only lead to the circumscription of the realities of the global system, is the critique of Realism in this Essay. In the contemporary world, the relations among non-state entities, and those between them and nation-states, have not only grown in volume and importance but provide a considerable proportion of the issues that can be regarded as being of the 'high politics' kind. It is not only the military-strategic relations between states that affect world peace and security, or determine national defence expenditure; the activities of revolutionary and terrorist groups, at both domestic and international levels, also have such significance. National budgets, economic plans, development projects, and other socio-economic objectives and policies of central governments, are as much affected (if not more) by the foreign investment operations, negotiations, intra-firm trading and other activities of the global private industrial and financial corporations, as they are by the treaties and accords which take place between states. The need for inter-state collaboration and co-ordination of 'police' and 'law and order' functions, to safeguard both national and global communities against threats of, and actual damage to life and property, by criminals (exemplified in the existence of institutions like INTERPOL and anti-terrorist accords), is indicative of the fact that, in most cases, the sovereign actor has to act or react with the definition of the individual as an 'international person'. Similarly, national foreign policies and inter-governmental accords do not exhaust the action and decisions by which, international politics is informed. International public opinion of the private kind, for example, the Doomwatch Report of the Pugwash Conference, the Brandt Report on the North-South Dialogue, the revelations of Amnesty
International about Human Rights practices, to name but a few, all affect the political situation of the global system.

The Realist's International Theory is further indictable on methodological grounds. As mentioned earlier, it reifies the inter-state system, as a result of its adoption of an action perspective in which systemic impulses are either ignored or played down. This is inappropriate because, it amounts to the subjection of the realities of the global system to the intentional activities (motives, aims, roles and decisions), of the actors. The consequence is the lack of intersubjectivity in the explanation of global phenomena. In the study of social phenomena, at whatever level of interaction, we cannot ignore the phenomenological dictum that, man and society (action and system) are always in a dialectical relationship. Simultaneous with the human construction of the institutional realities of the social world, is society's shaping of man in his aims, beliefs, aspirations and activities. The actor may be the system's architect, but he is not always in control over the artifacts of his creation. In the course of time, these creations not only externalize themselves beyond the consciousness and control of the creator, but also develop or generate situations not intended by the creator. Were this not the case, the progress of mankind (materially and culturally) would be historically linear and predictable, for political dynasties would then only change with the natural demise of the members of the ruling-class, (as opposed to the history of change of incumbents of power through revolutionary or constitutional means), since those in power would always anticipate and arrest the social currents that disturb established orders and erode power bases.
What Realism, in the exclusive emphasis on 'action' therefore, fails to incorporate in its paradigm, is the role that systemic impulses play in the social construction of reality. When the Americans and theRussains embarked upon their 'armaments race' back in the Cold War years, little did either of them realise that one day, the extreme definition of their defence requirements (or hegemonial needs) will put the whole of mankind on the verge of a potential 'nuclear Armageddon', and that later consciousness of this danger, and attempts to defuse it, would be frustrated by the logic and dynamics of the system so created. The irony and paradox of the current strategic relations between the U.S.A. and U.S.S.R. is that, while the strategy of 'mutual deterrence' keeps the arms race between them, and the world-wide proliferation of armaments, at extremely dangerous levels, deterrence itself has lost any meaning as a rational defence policy, and has become more of a functional requirement of the 'economic solvency' of their practitioners. viz. the military/industrial complex. In essence, men do not always make their histories in the ways and directions intended. Often the actor, even the most dominant actor, fails to respond to corrosive social currents which the tide of time, system's dynamics and structured forces, throw up with severe repercussions for the reality created.

Behaviouralism is similarly indictable for the same or identical methodological and theoretical weaknesses; like Realism, the school also suffers from an empiricist bias and a lack of intersubjectivity, in its paradigm for the study and explanation of the global system. Where Realism operates at the level of abstraction at which the variables of the phenomena are explained from the action point of view,
Behaviouralism goes to the other extreme of abstraction with the 'system' as the exclusive unit of analysis. That the inter-state system is but a sub-system of the global whole, is a Behavioural stance that implies other sub-systems (conflict, economic, marital, youth-culture, etc), as equally demanding analytical attention in the study of global phenomena. The criticism of this stance, from the empirical point of view, and in terms of its tendency toward marginalia, has already been made. What is important to note here, are the epistemological (or methodological) and theoretical implications.

In the words of J. W. Burton, et al.,

"A system approach, made necessary by the extended field, implies deductive methods; that is the use of axiomatic propositions or 'givens' derived at one level of analysis, as the basis for logical extensions to others". (9)

This statement, which has implications of considerable methodological significance, relative to the debate on the appropriate mode of analysis of the global system, is examined in greater detail in the next chapter. Its theoretical rational is, however, the contention that, "unit response to systemic impulses is what the study of social phenomena at all social levels have in common, and unit response at all levels has common features". In this case, the utility of the Behaviouralist 'systems treatment' of world society, resides in the amenability of the system to deductive methods by which, behavioural theories of a generality kind can be applied, not only to the study and explanation of situations of a common type (e.g. social conflict at all social levels), but also for the prediction of trends in behaviour and organisational processes (e.g. the application of conflict resolution
techniques, developed at the domestic level, to the arbitration of international disputes).

The question that must be answered by the Behaviouralists and other systems theorists is, 'do they opt for deductivism via systems framework, because they conceive the changing global scene to have reduced international politics to the same level of domestic politics, or they favour the systems approach because, it compliments their apriori assumptions about the dynamics of the system and, thus facilitates the method of deductivism?' In the examination of this question, the claim by Thomas Kuhn that different methods entail different substantive conclusions, must be borne in mind. One important point to observe from Kuhn's 'conventionalism' is the idea that, in most cases of scientific research, it is not the perceived nature of the empirical reality that determines the mode of analysis, but the conception of reality. In which case, the reality is defined to suit an apriori favoured method. (10) This point can be found to be the case with the Behaviouralist International Theory.

To recall, Behavioural conception of 'transnationalism' in world society involves an element of 'empirical overgeneralisation'. The global system has changed in terms of the widening of its parametric boundaries, but the change has not been so radical as to nullify the 'actions' of its most powerful actors (nation-states and public and private organisations with the resource capacity to participate in 'international decision-making'), in the determination of the patterns of international relations. In as much as the contemporary nation-states system has been reduced to a component unit of the global system (as opposed to its former position as the summation of relations within the system), that system possesses a logic of its
own that is not shared by the other sub-systems. For example, diplomatic relations (in terms of the exchange of ambassadors and recognition of new governments or sovereign states), are exclusive to the inter-state system. And where non-state entities participate in this area of international relations, (e.g. the diplomatic role of international institutions), they do so mainly on the basis of the consent of the nation-states.

Secondly, one would not quarrel with the Behavioural reasoning that, 'systems processes' as a viable unit of analysis of world society, implies the logical deduction that, at different levels of social interaction component units behave the same or, make common responses, given identical environmental stimuli. Thus, just as the perception of 'positive-sum' gains in industrial relations motivate co-operative behaviour on the part of both Trade Unions and Employers Associations, so would the perception of mutual gains or losses predispose belligerent nations to sue for peace or, negotiate the settlement of their disputes. Yet this reasoning amounts to an extreme deterministic view of the relationship between a system and its component units. It exaggerates the influence that the whole system exerts on the component units, and in terms of the comparison between different social levels, it plays down the heterogeneity of systemic components of the different political influences and social variables, which go into the formations of the units at various social levels. For instance, the International Labour Organisation (ILO) as an institution for the representation of the interests of the world community of workers, is not the same as the Trade Union Congress representing the interests of domestic community of workers. The very
constitution of the ILO (i.e. its tripartite membership structure of
the state, employer and worker representation), implies that its
response to a common situation like unemployment, would not be the
same as that of the TUC at the domestic level. The ILO cannot
instigate and employ the strike weapon, as the TUC could, for
collective bargaining purposes.

Something more than this extra deterministic view of the
influence of the system, must also be recognised in the Behavioural
emphasis on systems processes. This that, it is a theoretical
generalization that, methodologically, minimises the problem of
quantification involved in the abstraction, from the numerous
variables of any social phenomena, to achieve those significant
factors by which a viable unit of analysis of that phenomena, can
be determined. As already mentioned, the component units of social
systems may appear alike, (with reference to their organisation,
structure and functions), at different levels of human social inter-
action. But underlying these superficial similarities, may be
significant differences like the social, political and other influences
which created them, and determine their behaviour or responses to stimuli
from the systemic whole of their existence. In this context, theor-
etical generalisation about systems processes becomes a risky enter-
prise since, not only can we expect system's variables to differ
across social levels, but even in the absence of such difference, there
may be no duplication of behaviours or responses.

In other words, systems processes may aid the identification
of cultural, political and other social factors of a common pattern,
across social levels, and thereby, help reduce the number of variables
which must be decomposed into units of analysis; but this quantitative
and deductive approach cannot lead to an adequate analysis of the
of the phenomenon in question, if it does not account for the underlying currents influencing the variables in questions. It is just not enough to explain the behaviour of systemic units in terms of their observed responses, and the environmental stimuli involved. Analytic attention must also be paid to the role of the 'human agents' upon whose, affective and cognitive behavioural dispositions, and structural relations, the dynamic of the whole system operate. In the absence of such an 'action' perspective within systems analysis, what results from the whole explanatory exercise, is a deterministic model of humans functioning mainly as vehicles for the transportation of abstract relations, which obey a logic independent of the will of the human actor. It is precisely this lack of an action perspective in systems analysis (to achieve the necessary inter-subjective conception and analysis of social phenomena), that predisposes Behaviouralism to choose the least problematic mode of quantification and abstraction viz. emphasis on the observable. And behaviour patterns are easily observable in their uniformities, where the system is used as the unit of analysis.

That Behavioural International Theory does not depart significantly from the empiricist bias characterising the Realist thesis, is the third point of indictment of that system of thought, once proclaimed as an intellectual revolution within the social sciences. Behaviouralism fails in the one theoretical promise that stamped its revolutionary potential – the promise of a paradigm that could synthesise the traditional dichotomy of Political Science and International Relations, into a general theory of 'political behaviour'. Without an intersubjective framework, its general theory merely recants the familiar but much criticised features of Structural-Functionalism in Social Science. This is particularly the case with the systems theories of such Behaviouralists as Karl Deutsch,
David Easton and George Modelski. Deutsch, for instance, sees the dynamics of the global system in cybernetic terms. In this, the system is presented as having certain independent behavioural capabilities, defined by the concept of 'self-steering' or 'communication technology'. With these capabilities, the activities of the component units of the system are fed-back, as information inputs of the system's communication network. These information inputs are then processed, translated and interpreted (with reference to the system's needs and goals), and acted upon in ways complimentary with those needs and goals of the system. In its possession of self-steering or the capacity to respond meaningfully to events, the system achieves not only its adaptation, but can regulate the interaction of its component units, in a manner complimentary with its needs and goals. (11)

Thus, for instance, the institutional elements of the world system (the United Nations Organisation and Specialised Agencies in particular), are units which exist purposely to serve systemic needs and goals, like world peace and security.

Such systems analysis, employing the cybernetic model or Structural-Functionalist theory, have very limited explanatory power. They mainly demonstrate how the system works in terms of its internal relationships between whole and parts, but they do not provide adequate explanation of why the system or its component units make the particular responses to the environment, as can be observed. In the example of the role that the U.N. and its Agencies play in world affairs, it cannot be denied that the maintenance of world peace and security were the initial objectives of the nation-state architects of those institutions. Yet, these are not the only roles the institutions play. Indeed, rather than fulfilling these objectives, the institutions have becomes arenas for inter-national power politics, and they are more manipulated by the acting-agents than they in fact control.
the activities and behaviours of those agents. By implication then, general theories about the world system based upon such systems analysis, are both tautological and teleological. Tautological because, no social system can meaningfully exist without communication processes and capabilities, and it is but a truism to argue that a system's adaptive capacity depends upon its self-steering. What is more, social systems possess self-steering, not because they have consciousness, needs and goals independent of those of their acting agents, but because they are administered by those agents whose interests, aims and motives are best served by the adaptation and persistence of the system. This is evident in the attitudinal and policy changes, which have characterised the relations between the United States of America and the Institutions within the United Nations system. Back in the 1950s when the U.S.A. could count on the diplomatic support of the majority of the members of the U.N. in the General Assembly, for the 'containment' of Communism campaign, she found the system to be a very useful and most welcome international regime, and in her decolonization policy and generous financial contributions to be running of the institutions of the system, proved herself to be the most ardent internationalist. But with the shift of General Assembly voting power to the self-proclaimed non-Alligned Third World countries, whose attitudes have been quite critical of U.S. hegemonial policies and, at times sympathetic with the interests of the U.S.S.R., U.S. internationalism has waned considerably, in recent years. Indeed, today, most aspects of U.S. foreign policy can be considered as leading that country on a 'collision course' with the institutions of the U.N., especially the World Bank and UNCTAD. For instance, the current Reagan Administration had repudiated the previous Carter concessions on the U.N. proposal for a comprehensive Law of the Sea Treaty, with the effect that even the international negotiation of this issue has collapsed. U.S. unilateralism is also seen in such areas as International Aid to the development of the Third World countries in which, she pursues a policy of ideological discrimination.
to determine the beneficiaries of her Aid programme; the reduction in
the amount of U.S. funding of the International Development Association
(IDA) scheme of the World Bank, which implies a drastic reduction in the
Bank's soft loan credits to the LDCs; and her intransigent stance on
the New International Economic Order (NIEO). Also evident of U.S. anti-
internationalism is the blatant support she gives to the Apartheid
regime of the Republic of South Africa, in the face of global condem-
nation of the policies of that regime.

The essence of the above observations is that, social systems in
as much as they develop processes, independent of the control of the
acting agents upon whose actions the systems themselves were created,
still remain as the fundamentally convenient tools and platforms,
serving the interests of their creators, especially the most powerful
members of the society concerned. This is not to deny that systems,
in their growth and development into abstract entities, constrain and
compel the behaviour of the acting agents. Rather, it is to argue that
no all of the actors in a particular social setting are compelled by the
system's imperatives, to behave in ways innimical to their vested interests.

The above criticism of modes of analysis that emphasise systems
processes to the neglect of human action, especially the action of the
most powerful actors, brings into focus the most serious substantive
weakness in the 'world society' paradigm of Behaviouralism; that is, the
tendency to play down 'power politics' in contemporary International
Relations. The Realists may have erred in their over-emphasis on state
action as the pivot upon which world politics turn, but they must be
given the credit for not circumscribing the reality of the system, with
the naive Behavioural assumption that, international power politics has
been in the melting pot since the thaw in East-West Cold War relations.
The development of international relations into transnational relations, may have caused inter-state politics to show more bargaining and co-operative relations, than it was the case previously, but this had not led to the decomposition of power politics and conflict policies, pursued for both ideological and parochial national (in fact, class) interests. At the extreme pole of international power politics, the world's fear of a 'nuclear Armageddon', and the cautious behaviours of the super-powers (as opposed to their brinkmanship policies of the 1960s), might have reduced the danger of a global nuclear warfare. But these do not necessarily constitute a guarantee against the possibility of a Third World War, waged on a sub-threshold level and with conventional weapons. Though the ranks of the potential belligerents of a future global war on this basis, are not as clearly defined now, as they were during the high tide of the NATO-WARSAW polarization, given the multipolar nature of present world politics, (12) the precipitants of a global conflict engulfing all nations are, however, clearly in evidence. It is not only the continental conflicts in the Middle-East, the South Africa/Namibia/Angola triangle, the Far East (Afghanistan), Indo-China and Latin America (El Salvador, Nicaragua and others), which provide the explosive situations threatening to spill into a global warfare. The current activities of the super-powers (U.S.A. and U.S.S.R.) which indicate a gradual return to Cold War attitudes and policies, are also obvious candidates. The so-called East-West detente which encouraged the 'end of ideology' thesis, has in recent times, suffered considerable set-backs, ever since the Americans, recovering from the Vietnam debacle, returned to the 'anti-communist crusade' with the policy of creating a South Atlantic Military Alliance between such fascist
countries as Chile, Argentina and the Republic of South Africa. Prior to this, the seeds of international strategic discord have been planted in the Soviet Union's imperialist invasion of Afghanistan; the development of the Neutron Bomb and the U.S. decision to deploy it; and the collapse of SALT III (the third phase of the Strategic Arms Limitations Talks). (13)

It must be observed that the 'sabre-rattling' antics of Britain's Iron Lady (Premier Margaret Thatcher), found an outlet in the punitive trouncing of Argentina, over the Falklands crisis. And while the same antics of America's Ronald Reagan have not yet resulted in the flexing of U.S. muscle power, the writing is on the wall with reference to American military aid policy, arms production and proliferation, relative to the Third World countries, (El Salvador, South Africa, and the Angolan rebel Jonas Savimbi's UNITA), the Middle East (Israel), and Europe on the question of the Neutron Bomb. (14) President Reagan and his ultra-right government have not only reincarnated the 'ghost of John Foster Dulles', in the personalities of Mr Casper Weinberger (U.S. Defence Secretary) who claims that "detente does not work in the objective of arms limitation" (15), and General Alexander Haig (former Secretary of State) who sees 'a red' even under his own bed, but also appear to have inherited Dulles' paranoia of imminent Soviet-communist conquest of the world, if the brinkmanship of the 1960s is not reintroduced into contemporary U.S. foreign policy. Meanwhile, the Soviet leadership must cope with Poland, probably with the characteristic Soviet invasion which kept the Hungarians and the Czechs quiet in the 1960s and 1970s; while Apartheid South Africa defies international condemnation with impunity, and Israel consolidates its defence and power in the Middle East with 'genocide' against the depopulated Palestinian Arabs.
The theatres of conflict might have shifted from Europe to the areas of the Third World, and the principal belligerents might have changed somewhat (but only in their increasing numbers), but the pattern and issues of world conflict remain unchanged, in the post-1945 world power politics. Adding, increasingly, to the existing U.S./U.S.S.R. military bases around the world, are the French and Cuban bases in Africa, Israeli expansionism in the Middle East, and the resurgence of British naval strength via polaris submarines.

Finally, the current North-South Dichotomy, at the level of international economic relations, is an empirical phenomenon that confounds the Behaviouralist's conception of 'international interdependence' in almost 'symmetrical terms'. Theoretically, this conception is fallacious in that, it fails to recognize the extreme economic, political and other forms of inequality among the international actors. In the last analysis, international relations is about decision-making, on matters and issues which potentially and actually affect the welfare of all mankind. In this international decision-making, not all of the entities accredited with formal participant status, participate equally, or participate at all. Over two-thirds of the contemporary nation-states lack the capacity (economic resources, diplomatic influence and military strength), to make any significant impression on the course of world affairs. In most cases, the affairs of the 'weak states' enter world politics mainly because, these states have become 'pawns' in the hegemonial power-games of East and West. At the same time, entities like the TNCs who lack 'sovereign status', have become very powerful politically, as a result of their economic roles; the resource-scarce, least-developed and poverty-ridden countries in particular, find their domestic decision-making processes co-opted by TNC corporate imperialism.
5. **SUMMARY.**

By way of summarizing these critical observations about the Realist and Behaviouralist models of the modern world system, I should like to put and answer a question, that relates the 'boundary dispute' to the epistemological considerations of this Thesis. This is, 'in what ways do the conceptions of the global system held in Realism and Behaviouralism, affect the accurate sociological analysis of the system's political-economy, as well as inhibit the development of an 'international theory' that is constructively informative, to international practice or policies, in the direction of the system's restructuration?'

It is my contention that these 'misconceptions' have led to the generation of models of the global system which, have received unwarranted intellectual and political attention and acceptance, yet do not accurately reflect the real dynamics (i.e., structural relations) of the system. These models result from the application of 'methodological reductionisms', empiricist in nature, by which abstracted units of analysis (systems processes in Behaviouralism, and state-action in Realism) are reifications which do not, and cannot represent the intersubjectivity of all social phenomena.

In other words, the models do not adequately reveal the realm of historical and structural relations and processes within which, action and system constitute a unity. To illustrate the implications which result from the operation of these models, for both the study and practice of international relations, let us examine briefly, the Realist/Behaviouralist studies of international conflict and, their prescriptions for world peace and security.
In both the Realist and Behaviouralist paradigms, we find theoretical prescriptions for world peace and security, based on conceptions of social conflict which compliment their respective models of the global system. Realism posits a Strategist approach in which, world peace and security of nations are predicated upon 'balance of power' conditions which, in turn, depend upon the satisfaction of the immediate security needs of the super-powers - United States and the Soviet Union, and their allies. The strategist approach is underlaid by a neo-Hobbesian philosophy in which, the behaviour of states under conditions of international anarchy, is likened to the 'aggressive, egoistic and paranoid behaviour of man in the state of nature'. This psychologistic inference is further bolstered by a neo-Machlovellian approach to power-politics that carries the dictum - 'the best way to prevent war is to prepare for it'. The consequences of the strategist's prescription are not difficult to see; they are found in such current military policies like deterrence, brinkmanship, massive retaliation and nuclear arms proliferation, which have characterised East-West relations since 1945, and threaten to engulf the whole world in a 'nuclear apocalypse'.

Turning to the Behaviouralist formula for world peace and security - Conflict Research - we find a rejection of the 'balance of power' approach (on grounds that deterrence and the arms race exacerbate international tension); but we also find an identical psychological inference. Here, all social conflict are defined as essentially 'subjective' - they are functions of the misperceptions and misconceptions with which, political antagonists interpret each others motives and behaviours.

"States find themselves involved in war, not necessarily because of an aggressive intent,"
but merely because they misjudged or were unaware of the longer-term responses of others to their policies". (I6).

Subsequently, if states and their advisers could be persuaded to see in inter-national relations, the possibilities of 'positive-sum' pay-offs (mutual gains for all even in situations of recalcitrant conflicting interests), in contrast to their pre-conceptions of inevitable 'zero-sum' outcomes (one party's gain represents the other party's loss), they would be more willing to look for negotiated settlements of their disputes, than for military solutions. For the Behaviouralist's, therefore, it is the task of the international scholar to direct research into the development of 'peace scenarios', which could be open to the participation of conflicting parties, for the purpose of examination and discovery of the areas of mutual interests and, the reconciliation of their differences. (I7).

Both the Realist and Behaviouralist accounts of international conflict and means of achieving world peace, are erroneous because, the entailed explanations of the sources of social conflict are tautological. They equally take for granted, the fact of 'antagonistic relations' between conflicting parties, and without any adequate explanation or examination of the historical and structural factors generating such observable antagonistic relations, proceed to discuss the behavioural dispositions and responses of the parties to the conflict situation. In effect, the units of analysis so abstracted, are removed from their real social contexts and, are isolated from their historical and structural interconnections. For instance, it is unlikely that Britain would be misled by a perception of zero-sum outcomes, to initiate an aggressive response to United States military mobilization exercises, as the Soviet
Union would likely respond; the key to understanding of the different responses which can be expected from Britain and the Soviet Union, must be their respective structural relations with the United States.

The theoretical models which eventually emerge in the Realist and Behavioural paradigm, therefore, either have no place for significant historical and structural factors of the global system, like the development of capitalist imperialism, the creation of core-periphery blocs in the global political-economy, the emergence of East-socialist totalitarian systems in ideological and military opposition to Western-capitalism, and the extreme inequalities among today's nations, or these are subsumed under facile generalizations of 'systemic imperatives' or 'actors' intentions and behaviours.

If the above critique of the Realist/Behaviouralist paradigms, for their failure to provide an appropriate intersubjective framework for the development of International Theory, that is truly reflective of the dynamics of the modern world system and, adequately informative of international practice, is acceptable, then the pertinent question to examine further is, 'why do these paradigms and their supporting arguments, continue to dominate the general literature of International Relations? The reasons for this must be found in the other dimension of the epistemological/methodological problems, confronting the discipline, namely, Behavioural Scientism and its opposition in a 'post-Behavioural Consciencism'.
1. It was on the basis of this conception of International Relations, as 'real politik', conducted with policies of which 'macht politik' is the necessary weapon, that Realism developed the 'billiard ball' model of the global system. In this model, the system is seen as composed of unitary and autonomous nation-states. What takes place within the boundaries of each state, is the exclusive concern of that state, so long as that state exercises its territorial jurisdiction in accordance with the rules and principles of International Law. Each state's sovereignty finds expression in its national government, and what is important to each of the various national governments, are the foreign policies and the real or imagined intentions, of others. Inter-state intercourse, within this setting, is like the contacts between billiard-balls (on a snooker table); only the hard exterior touch, and heavier or faster balls push lighter and slower ones out of their way.


3. Francis Bacon - "Of Empire", in 'Selected Writings', N.Y. 1955 p.53


Burton, a staunch supporter of systems theory, argues that, the observed differences between the present world system and that of the past, should redirect research attention from power scenarios, to the consideration of the increasing co-operative relations forged among contemporary nation-states. He writes,

"There is 'nuclear deterrence' which seems to prevent or at least restrain great powers from coming into direct conflict with each other in any form of military conflict for fear that nuclear weapons might ultimately be employed. There is the expanded 'third world' of new states, especially in Asia and Africa. Their influence is increasing in international councils, and they are beginning to make more and more demands for equality of trading opportunities, and for the elimination of practices that 'discriminate' against them. There is the rise of the 'welfare state' in which people insist upon increased expenditure on material and cultural needs, even at the expense of defence".


12. The multipolarization of world politics, is manifest in the facts that, since the high-tide of the East-West Cold War ebbed from the mid-1960s, the two military blocs (NATO and WARSAW) which dominate world strategic affairs, have each suffered internal splits. The Warsaw Pact must now contend with the defection and, ideological-military hostility of Communist China, while NATO must reconcile the existence of an independent French Nuclear capability and world military bases, the aggressive policies of Israel, the unpopularity of the 'South African Alliance', with the American determination to define 'Western defence' in its polemical policies against Communism.

At the same time, the world has witnessed the steady but growing proliferation of nuclear and conventional weapons, beyond the traditional
military powers, as evidenced in the acquisition of nuclear capability by South Africa, Israel, India, Pakistan and others, and the considerable sales and usage of armaments in Africa, Asia and Latin America.

13. SALT III was in a state of negotiation, when the Soviet invasion of Afghanistan, and United States' involvement in Angola, led to the renewal of hostile diplomatic and political relations in U.S. - U.S.S.R. affairs, with damaging repercussions for 'detente' which has been progressing since the 1960s.

14. The United States of America, under the present Reagan Administration, is not only keen to establish a South Atlantic Military Pact, embracing the Republic of South Africa, Argentina, Chile and Brazil (all countries which profess anti-Communism but have basically 'Facist' administrations), but encourages political conflict and instability between and within Third World countries, with the offer of military assistance to countries which are antagonistic toward controversial regimes like Ghadafi's in Libya and the Sandinistas in Nicaragua, as well as to rebel groups like Jonas Savimbi's UNITA in Angola.

15. Interview on B.B.C. Television in October 1981.

16. J.W. Burton - "World Society", op. cit., p.4

17. Dr. Burton's advocacy of a 'controlled communication' approach to conflict resolution at the international level, is a typical example of the 'peace scenarios' prescribed in Behaviouralism. see J.W Burton - "Conflict & Communication"; McMillan, 1969.
CHAPTER FOUR.

CONSCIENCISM VERSUS SCIENTISM IN INTERNATIONAL THEORY.

"The debate reached a watershed in the early 1960s, since then something in the nature of an undeclared truce has been maintained. Thorough-going behaviouralists have followed their own line..... At the same time there is a greater readiness to accept that earlier hopes for a value-free truly scientific study of political behaviour were over-optimistic, that politics both as a praxis and as an intellectual discipline is peculiarly concerned with the interplay of normative judgements. In short, the self-styled behavioural revolution has turned out not to be such, but rather an accretion or an appendage to the study of politics, which different schools regard with different degrees of favour or disfavour. In the United States, where the new approaches were (and still are) most strongly entrenched, a revival of interest in political theory and normative discourse is occurring in some centres".


The resurgence of 'normative scholarship' in the post-behavioural approach to International Relations, involves both a demand for greater research attention to the means of radical restructuration of the political-economy of world society and, the critical rejection of 'behavioural-scientism' which, to the post-behaviouralists, stands in the way of such research enterprise.
Post-behavioural consciencism embraces such diverse thinkers as neo-Marxists (Johan Galtung, Immanuel Wallerstein, Walter Goldfrank, I.L. Horowitz, and many others), liberals like R. Aron, Joseph Frankel, F.S. Northedge, Max Beloff, to name but a few, and even former Behaviouralists like David Easton. These share a common epistemological 'credo of relevance' in which, the Behaviouralists' preoccupation with 'scientism' is indicted, as putting technical considerations of research before substance of theory, in the study of the global system and its problems. According to the critics, behavioural-scientism tends to treat as mundane, such problems as the increasing poverty and hunger of the mass of mankind, racial discrimination, political despotism and tyranny, class exploitation, etc., which contribute to the increase in international tension and conflict. At the level of methodology, the post-behaviouralists argue that,

"it is better to be vague and well meaning, than irrelevant, even pernicious and precise". (I).

In this, behavioural-scientism is accused of concealing an ideology of 'empirical conservatism', by emphasising the observable and neglecting the substantive. Behavioural methodology, it is argued, must lose touch with reality in so far as it is based on scientific tenets that lead to the abstraction of the most obvious features of society, while denying ontological status to the essences of social phenomena.

On substantive matters, the post-behaviouralists argue that, not only must political-science reach out to the needs of mankind in times of crises, but academic research aiding the constructive development of human values is an inextinguishable part of all scientific studies. Science, they argue, cannot be, and has never
been evaluatively neutral, inspite of the protestations of 'empiricists' to the contrary. The scientist's claim to knowledge, and his responsibility for the dissemination of knowledge that is useful to human social life, are invariably tied-up with his duty to act or to participate in the reshaping of society, towards equitable social relations and the progress of the human race.

In the words of one of the apostles of this 'credo of relevance',

"If the intellectual has the obligation to implement his knowledge - the professional associations - and the universities themselves, cannot stand apart from the struggles of the day. Politicization of the profession is inescapable as well as desirable". (2).

I must say that both the methodological and substantive criticisms of behavioural-scientism, found in the post-behavioural literature, are complimentary with the epistemological stance of this Thesis. My proposition that 'class analysis' could best serve the needs of International Research, given the present structural relations and consequences of the global system, is therefore, a reiteration of those criticisms. To restate the contention (so that a more detailed re-examination of behavioural-scientism can be provided), I ask the question - 'what is the substance or legitimacy of the post-behavioural critique?'. The treatment of this question must involve the exposition of Positivism, for the following reasons. First, not only are the methodological predilections of Behaviouralism inspired by the Positivist's conception of science and explanation, but behavioural-scientism is but the political science dimension of the Positive movement in Social Science. Secondly, the
Realist–Behaviouralist controversy over the idea of 'methodological unity of the natural and social sciences', is not just reminiscent but a recap of the Positivist–Hermeneutical controversy over the viability of Naturalism or Humanism, in the study of social phenomena. In other words, the correspondence between the development of International Theory to its present stage, of squabbles over methodology, and my contention that these squabbles divert intellectual attention to insubstantive matters of the discipline, is the influence that Positive-science exercises over the minds of a vast majority of social scientists, today.

2. THE 'EMPIRICIST' FOUNDATION OF POSITIVISM.

Jurgen Habermas, in his critique of Positivism, observes that the tradition's domination of social science research, over the past two-hundred or more years, has not been due to the superiority of its methodological approach, but the result of the doctrinaire faith in Positivism to lead to knowledge that is 'value-free' and independent of the reflexive historical awareness of the knower. (3).

The whole of positive social science (i.e., its conception of science and the 'naturalist' thesis), can be said to be governed by certain articles of faith which are, more or less, axiomatic dualisms. The most fundamental of these, is the maintenance of a fact-value dichotomy in which, science is argued to be primarily and exclusively, a fact-finding enterprise. The sources of true human knowledge about the universe, and the validity of any claim to such knowledge, it is contended, must be the observable and the verifiable. The epistemological implications flowing from this article of faith, may be considered as follows.

1) At the level of methodology, the dichotomy justifies the
demand that, 'objective research' should not delve beyond the factual and observable, to look for 'causes' in the essences of phenomena since, such essences are not susceptible to empirical test by observation and/or experimentation. In support of this argument is the Positivist's distinction between a context of discovery and a context of validation, in the scientific production of knowledge. The latter, according to R. Rudner, is where scientific activity is in its proper and highest element. This is because, whereas the context of validation deals with the means and criteria of attestation of propositions, the context of discovery can only deal with the generation of propositions; and untested propositions are mere hypotheses which further require independent observation statements for their meaning and validity. (4).

In other words, what the maintenance of the fact-value dichotomy in the Positivist philosophy of scientific knowledge amounts to, is the notion that science cannot provide knowledge of anything beyond what is observable and empirically testable. In Positivism, the truth or falsity of any scientific statement is, exclusively, a function of that statement's empirical validity; there are no self-evident truths in Positivism.

ii). The fact-value dichotomy, at the level of epistemology per se, is a re-affirmation of the 'anti-metaphycism' which has characterised successive traditions and thinkers of 'empiricist' persuasion. Its history is but the history of an attempt to ground all forms of human knowledge on empiricist tenets - the emphasis on sensorial criteria of source and validity of analytic statements. This campaign to cleanse human knowledge of non-observable data and untestable propositions, has its genesis in the classical empiricist philosophies of John Locke, David Hume and others. The Empiricist usurpation of the
of the cosmologies of Catholicist-theology and the Aristotelian
Ptolemaic, and its subsequent triumph over Cartesian Rationalism,
during the philosophical struggles of the Enlightenment period,
are very significant in this exposition, for the following legacies.
They marked the first identification of science with 'factualism' —
an identification in which philosophical reasoning was denied any
claim to scientific activity. (5). The notion that there exists
a world of facts (or experience), that has an ontology independent
of, and analytically irreducible to the conceptions or the mind of
the observer, came to dominate the philosophical theory of knowledge
then, as it does in contemporary Positivism. Second, most important,
was the articulation of this philosophy into the methodological
system of deductive-logic, based on David Hume's Lawful Association
of Phenomena, sometimes referred to as the scheme of Constant Con-
junction of Events.

It must be recalled that Hume's critique of Rene Descartes' Dualism of Mind and Body (in which Mind is given the certitude of knowledge via introspective reasoning), has denied the existence of ultimate realities like God, soul, matter, substance, etc., from which impressions constituting the real sources of knowledge, are given to the knowing mind. According to Hume, reality is what is (or can be) experienced, and the connections between the elements of the world of experience, cannot be established on the basis of a theory of causal necessity. Rather, these connections must be discovered, by application of a regularity theory of causation that is based on experiential data. This is because, it is empirically impossible to observe a 'cause' in operation; all that we can do is deduce lawful connections between phenomena, via our experience of their regular processes - i.e., our constant observation that, a movement or event of a particular kind is generally followed by another
of a particular kind. For Hume, therefore, all scientific knowledge having 'cause and effect relationships', as the basis of their claim to understanding and explanation of phenomena, can only relate to matters of fact.

3. THE DEDUCTIVE-LOGIC AND SOCIOLOGICAL POSITIVISM.

Methodologically, the essence of the Humean notion of law — i.e., his regularity theory of causation based on the lawful association of phenomena — is that, it leads to the organization of research at a level of abstraction at which, the unit of analysis (or the object of scientific knowledge) is most susceptible to direct observation. Under its influence have developed, the Deductive-Nomological (D-N) model of analysis found in Logical-Positivism, and the Naturalist thesis of Sociological Positivism.

a). Logical-Positivism And The Deductive-Nomological Model.

As mentioned earlier, the postulation of a domain of facts (independent of the beliefs and conceptions of the observer), that can be reported in a physicalist or sense-data observation language, underlied the classical empiricists' philosophical theory of scientific knowledge. It is a doctrine that has come down to modern Logical-Positivism, virtually intact. In C.G. Hempel's definition of Logical-Positivism, we read:

"The fundamental tenet of modern empiricism is the view that all non-analytic knowledge is based on experience. Let us call call this the principle of empiricism. Contemporary empiricism has added to it the maxim that a sentence makes cognitively meaningful assertion, and thus can be said to be true or false if it is (i) analytic or self-contradictory or (ii) capable, at least in principle, of experiential test". (6).
The two maxims of Logical-Positivism mentioned in Hempel's definition, are found to operate in both the Deductive-Nomological method, and the Positivist theory of meaning and truth - Logical Atomism.

The D-N model is basically an analytic scheme that attempts the explanation and prediction of phenomena, by means of structured logical arguments. The 'analytic' argument is constituted of a statement of lawful relationships between elements of the phenomena in question. This provides the premises (explanans) of the argument, as well as contains the hypotheses (antecendants) which specify the conditions under which, particular events within the phenomena can be expected to occur. From the explanans are deduced the conclusions (explanandum) which, account for both the causation and the prediction of the phenomena. The whole scheme is illustrated in Hempel's diagramatic reconstruction.

<table>
<thead>
<tr>
<th>EXPLANANS</th>
<th>EXPLANANDUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL LAW</td>
<td>... Political instability always lead to social strife and conflict.</td>
</tr>
<tr>
<td>CONDITION I</td>
<td>... Political instability is generally a function of 'leadership crisis'.</td>
</tr>
<tr>
<td>CONDITION 2</td>
<td>... Country B has been going through a 'leadership crisis', of late.</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>... The current social conflict observable in country B must be attributed to the factor of political instability.</td>
</tr>
</tbody>
</table>
It is important to note that, the D-N method maintains a rigid criterion of truth or validity of analytic statements. That is, the cardinal rule complimenting the Humean notion of Law that, conclusions deduced in explanation or prediction, must correspond with every observable instance of the phenomena in question. In other words, the 'exact science' in Positivism, consists of a set of propositions, derived from a logical argument that is made up of lawful connections between discrete elements of the phenomena concerned, and developed into deductive generalizations for the explanation and prediction of trends. The logical argument is built upon assumptions (gained through either observation or by induction) about the phenomena. These assumptions do not require proof, and cannot be proven; only the conclusions derived from them require proof, by empirical test of confirmed observation and/or experimentation. The overall explanatory or predictive theory is true, if the generalization applies to all instances of the phenomena. In essence, Positivist methodology as represented in the D-N model, is governed by the principle of 'verification'. It is fundamentally, the derivation of prognosis from testable hypotheses and specified conditions of validity. A hypothesis is established as a valid positive theory, where its predictions are confirmed empirically; it is effectively falsified where the predictions fail to materialise.

"In its ideal and most powerful form, a general theory achieves maximal value when it constitutes a deductive system of thought so that from a limited number of postulates, as assumptions and axioms, a whole body of empirically valid generalizations might be deduced in descending order of specificity". (7).
Both the 'analytic' criterion and 'empirical' basis of truth and validity of scientific statements, are emphasised in the Positivist theory of meaning — Logical Atomism. This theory denies meaning to apriori conceptions and intuitionist claims, on grounds that the truth or validity of any proposition, is either entailed in the meaningfulness of the analytic statement itself, or a function of its empirical verification. In Logical Atomism, a statement is meaningful if it has ostensive definition. Scientific statements are basically analytic ones because, they are simple factual propositions whose constituent concepts are, by definition, incapable of further analysis. Thus, to explain a compound concept like 'bird', all that is analytically required is to break-up the concept into its constituent properties or atomic parts. For example, Bird = flying creature + feathers + beak + claws. The discovery of these constituent properties of the concept implies the discovery of its logical construction; and it is the relinkage of these atomic parts into a compound concept that provides the meaning and explanation of the concept. Herein, lies the Positivist maxim that, an expression has meaning only if it is analysable in terms of the truth or falsity of its claims; and such truth or falsity is a function of either, the logical consistency of the analytic statement, or the conformity or otherwise of its claims with sense-data (empirical evidence).

This theory of truth and meaning is further supported by the Positivist rule of Phenomenalism. In this rule, the fact-value dichotomy takes the form of a distinction between observation statements (which provide objective knowledge) and theoretical statements (which are basically conceptual). Like the other tenets of Positivism, Phenomenalism elevates observation statements to
the status of 'exclusive basis for the reconstruction of scientific knowledge', by invoking the Humean notion that, there are no necessary connections in the constitutions of all phenomena (natural and social), in so far as the essence of a thing is inseparable from its observable properties. In this case, the role of theory in the scientific production of knowledge, is the same as that ascribed to 'philosophy' by John Locke - theoretical statements are not scientific because they do not have immediate empirical reference, and must gain their meaning via direct connection with observation statements. Such a connection, it is argued, is mediated by coordinated definitions. To the extent that a theory is basically a calculational device for the ordering of data, its role in the scientific enterprise must be seen, not as one of giving true or false impressions about the world, but as one of providing heuristic mechanism (in terms of the analytic language and conceptual structure) by which, the examination of the world of facts can be carried out. In other words, theories in Logical Positivism, mainly provide the perspective for the organization of the empirical world as a set of realities, constituted of recurrent uniformities.


To a large extent, Sociological Positivism is indistinguishable from the Naturalist thesis. This is because most sociologists who are positivist in their analytic approaches, are equally favourably disposed toward the idea that, the methods of natural science are applicable to the study of social phenomena. In this sense, Naturalism is basically the methodological predilection that, there can (and must) be a unity of method in the studies of both natural and social phenomena. Naturalism is advocated on grounds that transcend the sociologist's admiration of the successes of the natural scientist; more than this, it is the conviction of the advocates
that, it is only by application of natural science methods that the study of society can achieve objectivity. According to the thesis, though social science might distinguish itself from natural science, on grounds of the 'animate' nature of social phenomena, there are, however, similarities between the two sets of phenomena, in terms of their causal and behavioural patterns - both can be revealed to be governed by 'lawful associations'. Social phenomena may lack the natural facticity and constancy of physical matter, but this does not rule out the possibility of their 'analytic objectification', by discovery of behavioural regularities and repetitiveness of events. Another point to note about the Naturalist thesis is that, its faith in the applicability of natural science methods to the study of society, derives from the fundamental axiom of Positivism that, the scientific explanation of any phenomena mainly requires such explanation to be subsumed under generalizations of a lawful kind. The utility of any analytic statement resides in its capacity to generalize its knowledge claims, to cover all instances of the particular class of phenomena under investigation.

Naturalism has its origins in the sociologies of the 19th century French Encyclopedists - St. Simon, Auguste Comte and Emile Durkheim, in particular. These thinkers saw in the classical empiricist philosophy, the following intellectual and political advantages. On the one hand, empiricism provided the philosophical foundation upon which, both the unification of the French 'intelligentsia' and, the restoration of the French 'social order' as was then threatened by the anarchical atmosphere of the regime of the Bourgeois Third Estate, could be achieved. Empiricism, by virtue of its abstraction of a 'collective realm of phenomena' that is independent of the conscious will of individual elements, therefore, espoused an
epistemological and political wisdom, enhancing both the study and administration of society to be organized from the position that, 'the individual is fundamentally subordinate to the social collectivity'. On the other hand, the empiricist conception of general laws which underlie the causation and operation of all phenomena, facilitated the Encyclopedists' attempt to establish 'sociology', as mature science with its own independent subject-matter and acceptable scientific mode of analysis. That is, the abstraction of a realm of social facts at the collective level, complimentary with the conception of society as an organic system in which, interdependent constituent parts exist in mutually adjusted equilibrium, that is functional to the adaptation and persistence of the whole.

Auguste Comte, in particular, was impressed by the Humean notion of Law, to organize the twin theses of his general theory of Development of Scientific Knowledge (the Law of Human Progress and the Hierarchy of the Sciences), by the same principles. The basic tenets of the Comtean theory may be briefly described as follows.

i) Social systems evolve in a process of interdependent development of human intelligence and political administration. That is, forms of social organization and administration (which Comte identified three main historical types - military-aggressive, military-defensive, and industrial-passive), have their particular philosophical foundations - theological, metaphysical and positive epistemologies which, in turn, correspond with the stages of development of human intelligence.

ii) Progress in each branch of science, is as sequential as the progress in human intelligence. Both processes of development reach the stage of maturity at which, 'positive wisdom' or the positive mode of analysis is achieved; for it is at this stage that the
discovery of the regular, lawful connections between phenomena is made. This discovery renders the previous search for sources of knowledge in the essences of phenomena (characteristic of the theological and metaphysical stages of wisdom), absolutely redundant. "The human mind recognizing the impossibility of attaining absolute concepts, gives up the search for the origin and destiny of the universe and inner causes of phenomena, and confines itself to the discovery through reason (logic) and observation combined of the actual laws that govern the succession and similarity of phenomena. The explanation of the facts, now reduced to its real terms, consists in the establishment of a link between various particular phenomena and a few general facts, which diminish in number with the progress of science". (8).

iii) A method is the more scientific, the smaller in number are its explanatory causal laws, and the wider the range of phenomena that these laws can be generalized to cover. Similarly, a branch of science reaches the mature positive stage, the more simplified its subject-matter, the more generalized its analytic statements, and the greater its independence of other scientific disciplines.

Comte's sociological-positivism finds collaboration in the methodological arguments of Emile Durkheim and J.S. Mill, to name but two of the other traditional advocates of Naturalism. In Durkheim, we find the search for an independent subject-matter of Sociology, leading to the abstraction of a realm of social facts. These are the morphological, demographic and ecological features, institutionalized rules and norms, established beliefs and practices of
society, which antedate all individuals, are distinct in themselves, and occur and operate independent of any one particular human consciousness or will. According to Durkheim, these social facts are to be recognized by their possession of three distinctive attributes. One is their 'externality', to individual consciousness and will. Another, is their 'generality' with regard to the 'regularity' of their occurrence and, the 'universality' of their operation over time. The third attribute is their 'coerciveness', relative to the compellence of behavioural conformity. (9).

The abstraction of these social facts at the level of the systemic whole (or collective process of interaction), is in consonance with Durkheim's view of science as the 'careful and clear establishment of lawful relations between cause and effect situations'. In his view, the social scientist cannot rely upon the layman's definition and interpretations of reality, to guide his scientific research, since the properties of the social system, constituting the real objects of scientific knowledge, cannot be determined apriori, to actual empirical study of the phenomena in question — i.e., the description and quantification of trends.

The same kind of 'abstractive analysis' is found in J.S. Mill's sociological-positivism. Mill differed from the French Encyclopedists, mainly in his 'atomistic' (methodological-individualist) approach. Mill conceived of two interrelated modes of arriving at scientific statements — the logics of Induction and Deduction. Inductive explanation, according to Mill, is by inference of general laws from individual facts. But these laws must be developed into analytic statements of general applicability to recurrent patterns of the phenomena, hence the need for deductivism.
Like most of the other sociological-positivists, before and after him, Mill's acceptance of deductive logic, as the most scientific of methods and the most appropriate mode of social science, was based on three main convictions. One is the belief that all phenomena belong to a natural world and are thus governed by relationships of a regularity kind which are explicable in lawful terms. Another, is the belief that the whole purpose of science is to predict trends, so that man can have effective control over events. And the third is the conviction that, Newtonian 'mechanics' which conformed with these principles of science (i.e., it exemplified the 'non-necessitarian' theory of causation), should serve the model of a 'scientific' system of analysis.

4. THE CRITICS OF POSITIVISM AND NATURALISM.

The critics of Positivist's epistemological and methodological predilections, do not belong to a uniform school of thought. They are drawn from different intellectual traditions; they have different epistemological views and political or ideological persuasions, and they tend to oppose Positivism with often conflicting arguments. Their critiques may be grouped into three main streams, relative to the aspects of Positivism their commentaries have been focussed.

The first stream is a coalition of Hermeneutical schools (Verstehende Sociologists, Symbolic-Interactionists, Ethnomethodologists, the neo-Marxists, to name but a few). These are commonly opposed to the thesis of Naturalism, and with minor variations in their arguments, advance the alternative thesis of Humanism, as the appropriate mode of social science analysis. In the second stream, we find Realist (II) and Conventionalist critiques, which are more technical, and focus on the canons of science held in Positivism. The third stream involves
commentaries of writers like Sir Karl Popper and Prof. Thomas Kuhn which, do not really debunk Positivism but rationalize its arguments, with the aim of papering the cracks in its overall intellectual system.

This typology of critics of Positivism is not meant to have rigid distinctions, between the contributions of individual writers to the positions of the schools so identified. I recognize the tendency for systems of thought and writers to defy classification into rigid or specific traditions. And in the context of the critique of Positivism, some critical arguments overlap both the general stance of the tradition each argument corresponds with, and the aspects of Positivism by which the critical traditions have been identified. For instance, Max Weber's Verstehen approach is at once neo-positivist and naturalist in his advocacy of social science methodology, and Hermeneutical in the actual methodological system he employs for his analysis of society. Likewise, elements of Positivism, Realism and Hermeneuticism can be found in the Marxian advocacy that, 'dialectics' and 'materialism' should be the guiding principles in the development of appropriate social science methodology. Indeed, both the Weberian and Marxian systems transcend their respective Verstehende and Realist positions, by their attempts at the synthesis of the Positivist-Hermeneutical dichotomies. In this case, the discussion of their arguments within the frameworks of their philosophical schools of thought, would obscure rather than reveal the significance of their systems of thought. They are thus best reserved for the paragraph dealing with the 'synthesis'. 
a) Against Naturalism - The Humanist Antithesis.

Briefly, Humanism is antithetical to the idea of 'methodological unity of natural and social sciences, on grounds of fundamental differences between the subject-matters of the two branches of science. According to the Hermeneuticists who maintain this position, social phenomena are unique in their causation and processes - they are basically rule-governed, and are the products of the values, motives and aspirations which the acting-agents of the social construction of reality (human beings), attach to their social interactions. Thus, every historical event in society has its unique features. To this extent, the realities of the human social world cannot be objectified as facticities to which, the explanatory system of deductive generalization can be applied. In Humanism, it is argued that the social sciences require an entirely different method of investigation, from that of the physical sciences. And the recommended method is that of interpretive-understanding, which is underpinned by the following Hermeneutical conceptions.

1) Human behaviour and social relationships (the fundamental sources of all social phenomena), are meaningful because, they derive from the cognitive, affective and connative attitudes and other idiosyncracies of the acting-agents. The true nature of these foundations of social phenomena cannot, therefore, be properly understood or analytically appreciated, with methods of investigation which can only deal with their observable manifestations, i.e., social facts.

ii) The manifestations of human behaviour and interaction are neither repetitive nor quantifiable because, every social activity is culture-bound, and every historical event is unique, in a way in which the experiments and replications of the physical sciences are not.
iii) Social phenomena emanate from the motives and acts of free-will agents, rather than from matter that is governed by mechanistic forces, as is the case in the physical world. Man, therefore, is a performer of meaningful acts, and the nature of his understanding of his acts and their consequences, is inseparable from the meanings and values he attaches to them. To this extent, the investigator of social reality can only appreciate the true essence of the subject of investigation, by interpretive-understanding of the actor's behaviour dispositions. Any attempt to subsume the motives, values, meanings and other behaviour properties of human actors, under generalizations which posit their manifestations as objective things in themselves, can only lead to the separation of the investigator from the real subject of his study.

The essence of these Hermeneutical conceptions about human behaviour and social relationships is the postulation of society as a Liebenswelt - the world of meaningful and value-laden activities and cultural life in which, language, symbolic acts and other forms of communication, and the rules and norms governing behaviour, are the media through which humans interact, and from which result the observable facets like the political, economic, legal etc., institutions of the social system. Given this 'liebenswelt', scientific knowledge about society must presuppose the common experience (culture) and the common understanding (language and symbolic acts) of social life; and these must be reconstructed from the perspective of the actor, rather than from the arbitrary assumptions of the investigator.

"The actor and he alone knows what he does, why he does it and when and where his action starts and ends". (12).
From these arguments emerge a general hermeneutical epistemological system of which principal tenets are:

1) A theoretical orientation towards the values and motives inherent in the acts and relationships of human beings.

2) A methodology that emphasises the interpretive-understanding of the behaviour dispositions and precepts of the acting-agents.

3) A philosophical doctrine that the central task of the social scientist, is the reconstruction of the ways in which the acting-agents understand and interpret their actions and relations. In this respect, Humanism stands for the demand that, the analytic concepts of the social scientist must not depart radically from those employed by the actors in their everyday life.

Beyond these tenets, however, the Hermeneutical schools tend to differ among themselves, with respect to the variable interpretations they give of the method of interpretive-understanding. For instance, in the Pragmaticist philosophies of Charles Sanders Pierce, William James, John Dewey, F.S.C. Schiller and others, it is viewed to involve the investigator's own symbolic apprehension. That is, the investigator's interpretation of social acts and relations, with reference to the practical ends these serve or can be expected to serve, for the actor or society as a whole. In the Pragmaticist philosophy, the significance of any idea or act must be found in the nature of the consequences flowing from it.

"the whole function of thought is to produce habits of action...... to determine what habits it produces, for what a thing means is simply what habits it involves". (13).

In contrast to the posteriori criterion of truth and knowledge entailed in the Pragmaticist interpretation of interpretive-understanding, there is an a priori criterion in the model offered in
the Phenomenological schools, particularly in Vertehende Sociology. Here, it is emphasised that it is the investigator's understanding of the actor's motives and values, rather than the perceived or anticipated consequences of the act, that should inform social theory. The members of the neo-Kantian Hiedelberg Circle (William Dilthey, Heinrich Rickert and Max Weber) conceived this as 'Verstehen' - a method of data collection and explanatory understanding, based on the investigator's empathy with the actor. In the arguments of Wilhem Dilthey, 'Verstehen' appears to involve a process of the investigator's psychological introspection of the mental world of the actor. According to him, men interact socially by sharing reflexive life experiences and, by imaginative understanding of each others behaviour. And this process of social interaction should provide the paradigm of social science. For Dilthey, the social scientist must live into the inner experiences of the human actor, in order to arrive at accurate accounts of social phenomena. His rejection of Naturalism is based on his conception of 'radical differences between natural phenomena (inanimate matter) and social phenomena (animate matter composed of subjective, meaningful behaviours and relations). He writes:

"The uniformities which can be established in the field of society are in numbers, importance and precision far behind the laws which it has been possible to lay down for nature on the same foundation of relations in space and time". (I4).

Heinrich Rickert was equally disposed towards the idea of 'incompatibility of natural and social science methods', but from the position that, it is the different intellectual and analytic interests pertaining to each branch of science, that set their
their modes of analysis apart. According to him, the manifolds of the phenomena of all scientific studies make 'abstraction of units of analysis' inevitable. But what is abstracted to represent the analytic object depends upon the the objectives of the research and, the particular intellectual interests of the discipline concerned. Natural science is mainly interested in the causal relations between phenomena, and since the elements of the physical world are devoid of values and meanings in themselves, their analysis need not go beyond the level of abstraction at which, variables can be generalized as instances of a common pattern and, as functions of a general causal law. In contrast, the intellectual interests of the social scientist must be concerned with the relevance of actors' behaviours to the basic values, norms and rules which govern their day to day relationships. That is, scientific conceptions about the social universe must be reconstructions of the fundamental elements of that universe, just as natural science concepts reflect the elements of the physical universe. Because social phenomena are manifestations of their unique historical and cultural settings, each social event, action or relationship must be studied and explained in its own unique and concrete individuality.

Though Max Weber's Verstehen expresses similar Hermeneutical beliefs about human behaviour and social relations, there is, however, a movement in the Weberian methodological system towards Naturalism; he conceives of the possibility of applying general laws of causation to the study of society. This is envisaged in his definition of sociology as:

"the science which attempts the interpretative-understanding of social action in order thereby to arrive at a causal explanation of its course and effects. Action is social in so far as, by
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virtue of the subjective meaning attached to it by the acting individual (individuals), it takes account of the behaviour of others and is thereby oriented in its course". (15).

According to Weber, sociological generalizations, akin to the causal laws of natural science, can be achieved, via the development of motivation-theories or motivational-hypotheses. In his view, the conception of society as a Liebenswelt also implies that, the investigator shares the symbolic-universe of the actors of his study. Given this access to the meaning systems of the actor, and given the 'rational tendency' in most social acts (except the insane), the investigator can determine the logical reasons (motives) behind the act in question, by referring to the means-ends or cost-benefit calculus which, normally, should (or can be expected to) govern the act and its social circumstances.

"In all likelihood, men involved in a certain social context will orient their behaviour in terms of normative expectations". (16).

The motivational-hypotheses so developed, can then be subjected to empirical test by observation and quantification of recurrent patterns of the act under the same circumstances. Causal generalization about the processes of human social relations, therefore, becomes possible, with the typification of observed concrete acts as cases of a general kind.*

If Weber's methodological system has the semblance of synthesis of the Naturalist–Humanist dichotomy, the stance and arguments of

* It is only a sketchy account that is given here of Max Weber's epistemological/methodological system. A more detailed discussion is provided later.
contemporary Hermeneutical schools like, the Symbolic-Interactionists and Ethnomethodologists, have been very uncompromising. What these schools find as most objectionable in Naturalism, is the notion of treating social facts as things in themselves. Social facts, they argue, are only sociologically intelligible and admissible as units of analysis, only if they are treated as correlates of human thought. In so far as men interpret their world to make both their actions and social institutions meaningful, then it is incumbent upon the investigator to study and explain social facts (which are manifestations of meaningful acts), in the intentionality of consciousness. Scientific or sociological constructions about society, they argue, can only be (or must be) the reconstructions of actors' own personal and interpersonal definitions of their social situations. This is because, society does not stand outside acting-agent, as an objective-given; what is observable as social facts (institutions, rules, laws, behaviours, etc.), are all interwoven with subjective-consciousness, to make society an intersubjective reality. Thus, "Society is a human product. Society is an objective reality. Man is a social product". (17).

If in Positive-sociology the roles which men play in society provide the summation of their personalities, in the contemporary Hermeneu- tical schools the concept of role portrays man as a cultural dope who lacks 'free-will'. In their view, the medium of meaningful social interaction is not social roles, but language and rules and norms which govern behaviour. And these constitute the resource that the social scientist who aims at the interpretive-understanding of human behaviour, must utilize. The relationship between language usage and symbolic interaction, cannot be established by mere analogy, deductive reasoning or semantic correlation, since these techniques
miss the relativity of social communication and meaningful social existence of human beings. The self-understanding of the lay-actor takes place, with reference to 'publicly available concepts' or shared culture, and scientific reference to private sensations only make sense if such reference takes account of the framework of social communication. (18).

What develop from these phenomenological views about society and human behaviour, are methodological predilections which confound the 'systemic' perspective of sociological-positivism. The modern Hermeneuticists consider the 'action' (of the free-will agent), as the appropriate unit of analysis of social phenomena. But their action perspective cuts-across Max Weber's 'methodological individualism' in that, it is not determined at the level of the subjective consciousness of the actor, but at the level of the collective rules and behaviour norms governing society and its agents as a whole. In this case, the abstracted unit of analysis is neither the property of the social system per se (as found in Durkheim's social facts), nor the exclusive product of the conscious actor (as implied in Verstehende sociology). It is more a dialecticised product of the interaction between system and actor - an intersubjective realm of symbolic rules, values, institutions, communication and consciousness to which, the actor relates, rather than merely reacts, in his daily life experiences.

How to study this symbolic universe without distorting or circumscribing its intersubjectivity, is a technical question that divides the contemporary Hermeneuticists. For the Symbolic-Interactionists, the appropriate mode of interpretive-understanding of this universe, should be the participant-observation of the investigator. This is because, that universe is a constructed reality in which, all elements
including the acting-agents themselves, have learnt meaning.

Thus, according to Gunther Stent, quantitative evidence is insufficient; our visions of reality have no incontestable existence separate or apart from our own participation in it, since we are inescapably, at all times and in all places, participant observers. (19).

On the other hand, the research technique recommended in Ethnomethodology, is more reliant on the interpretive and accounting procedures of the actor, than it is on the investigator's attempt to discover the rational reasons and consequences of the act per se. According to Harold Garfinkel,

"The regularity of human behaviour is sufficiently great that some systemic process clearly exist. Ethnomethodology's question is: How does it proceed? Ethnomethodology's answer requires studying the accounting and describing procedures for each member of a social order. Social order, then, is precarious, having no existence at all apart from those accounting and describing procedures. The members manage to produce and sustain a sense of social structures". (20).

b) Against Positivist Canons of Science, Theory and Explanation.

On the whole, and albeit the occasional reference to the 'mechanistic' nature of positive-science, the general Hermeneutical critique of Positivism has been mainly directed at the Naturalist thesis. The more technical objections to Positivism have come from the Realist and Conventionalist traditions. What these critics find as unacceptable, are the axiomatic dualisms which underlie the Positivist's conception of explanation, prediction and theory, in the scientific enterprise.
Basically, Realism shares with Positivism, the empiricist credo that science is fundamentally an empirical-based, rational and objective activity, aimed purposely at explanatory and predictive knowledge about the world. Realism, however, rejects the 'symmetry of explanation and prediction', found in the D-N scheme of Positivism, on grounds that, explanation should have analytic priority over prediction. Adequate scientific analysis of any phenomenon, the Realists argue, is not achieved by methods which merely establish causal connections between phenomena via deduced general laws, so that abstracted objects of analysis can be demonstrated to be particular instances of well-established regularities. Rather, such analysis should be explanatory, in terms of the discovery of the necessary connections (as opposed to lawful relations), between elements of the phenomenon in question. The scientist can make this discovery by application of a theory, that relates to the structural dynamics or internal mechanisms at work in the phenomenon.

The ideational tension between Positivism and Realism, in the context of the above argument, is the opposition of Realist's essence of phenomena, to the Positivist's observable features of phenomena. The need for science to discover the essences, rather than rely on observable features, is further defended by Rom Harre in the following terms. According to him, to view causal relations as consisting only of temporal and regular succession is to fail to distinguish between the meaning of statements asserting such relations, and the evidence upon which it may be based. The discovery of regular relationships between two kinds of phenomena only gives us reason to believe in their causal relatedness. But this expectation is not conclusive evidence of causality. To gain such evidence, the scientist must discover and analyse the mechanisms which mediate the relations between the discrete phenomena. (21).
Realists' objection to the Positivist's concept of explanation, is particularly concerned with the D-N scheme's presupposition of 'syllogistic inference', as synonymous with causal explanation. According to the critique, the scheme fails to conform with the logic of science (i.e., the orientation towards why? questions), because it subsumes causal factors under induced general laws whose validity rests on premises which, are not only imprecisely defined but can only be true (or false) with reference to arbitrary rules of Positive-science - viz. Phenomenalism and Logical-Atomism.

Finally, the role of 'theory' in scientific analysis, is a point of discord between Realism and Positivism. Where the latter considers theories as mainly heuristic devises which require association with independent observation statements for their analytic and predictive usefulness, the former sees them as the real tools of the scientific enterprise. In Realism, theories provide the models with which science can intelligibly reconstruct the unobservable world of essences of phenomena, thereby, arriving at their causal and behavioural processes.

Conventionalists, in general, tend to be very skeptical about the Positivist/Realist belief that, science is essentially an objective, empirical activity, that provides true descriptions and explanation of an external reality, by means of verified analytic or theoretical statements. This skepticism, however, is expressed by individual Conventionalists, with varying intentions. In the works of Sir Karl Popper, for instance, it provides the starting point for his rationalization of 'positive-science' - i.e., his rejection of the Logical-Positivist's principle of Verification, and his advocacy of the alternative principle of Falsification, as the best criterion for the attestation of scientific statements.
According to him, the 'falsification theory of scientific knowledge' has better claims because, the more exposed to the possibility of refutation, by basic statements, a law is, the better that law from the scientific point of view. He sums up his whole methodological position in the following statement.

"The empirical basis of objective science has thus nothing 'absolute' about it. Science does not rest upon rock-bottom. The bold structure of its theories arise, as it were, above a swamp, but not down to any natural or given base, and when we cease our attempts to drive out piles into deeper layer, it is not because we have reached firm ground. We simply stop when we are satisfied that they are firm enough to carry the structure, at least for the time being". (22).

What is implied in the above statement, is the tentativeness of all knowledge, especially those validated with the application of the principle of verification. This is because, "Irrespective of the number of observation and other empirical tests conducted and confirming a proposition, there is always the possibility that disconfirming evidence may be found in the next test". (23) This Popperian skepticism about the claims of the Logical-Positivist's mode of arriving at scientific statements, appears to find favour with Thomas Kuhn. For Kuhn, the Logical-Positivists naively see 'scientific discoveries' as finished achievements which are recorded in textbooks. But such textbook evidence no more satisfactorily describe the substance of what actually happens in science, than tourist brochures do the culture into which the traveller is initiated. The gist of Kuhn's argument is that, the acquisition of scientific knowledge is not by a process of gradual accumulation of empirical knowledge which,
steadily give rise to increasingly elaborate theoretical constructions. Rather, the process has a developmental-evolutionary sequence, akin to the historical development of society itself – it is one of periods of punctuated intellectual crises and ideational conflicts, between theses (orthodox paradigms) and antitheses (challenging paradigms). These crises and conflicts create in general, two stages of scientific activity - normal science and revolutionary science. The basic activities, during the periods of normal science, are basically of the puzzle-solving kind. In this, analytic methods, conceptual apparatuses, standards of validation, etc., which govern research within the scientific community, are furnished by the existing epistemological achievements, and the paradigm so established rules the roost, unchallenged and unquestioned. The focus of research is on the problems which can be handled within the framework of assumptions embodied in the paradigm. Any failure to solve these problems, is attributed to the researcher's own errors, rather than to the weaknesses of the paradigm. However, such puzzle-solving turns into problem-solving, when doctrinaire assumptions are called into question, with the emergence and perception of perplexing anomalies - i.e., the increase in unorthodox thought and approaches which, the elite of the community resist by considering them as anomalies.

According to Kuhn, the elite's resistance to the development of new perspectives, is what provokes the advent of the period of revolutionary science in which, the conventional wisdom is confronted by multiple contestant systems. The resolution of this conflict is not the result of the voluntary capitulation of the elite; neither is it the result of critical debate and assessment of the substantive claims of the new perspectives. Rather, it is the result of a change of allegiance from orthodox to the new which, for each individual
scientist, is often a conversion experience, akin to gestalt switches, or like a person's change in religious faith. He writes,

"A new scientific truth does not triumph by convincing its opponents and making them see the light, but rather because its opponents eventually die and a new generation grows up that is familiar with it". (24).

Kuhn cites as historical evidence, the usurpation of Aristotelian physics by Newtonian physics in the 16th century, and the subsequent shift from the latter to the 'relativity theory' of phenomena and quantum physics, from the dawn of the 20th century.

5. EVALUATION OF POSITIVIS-SCIENCE AND ITS CRITIQUES.

The exposition just given to the epistemological and methodological systems of Positivism and its critics, by no means exhaust all the issues and arguments involved. It also accounts for only a small number of the philosophers and writers, whose views have filled the voluminous literature of Philosophy of Social Science, on the issues under discussion here. The only justification I can offer for this delimitation, relates to the need to reduce the complex substantive arguments, coming from various sources, to manageable proportions. For similar reasons of clarity and the presentation of a balanced-account of the substantive positions of the various schools of thought, I have reserved my own comments, and those of other writers which have synthetic significance, particularly the views of Marx and Engels, for this section. This section is organized, first, with a summary of the divergent positions of Positivism and Hermeneuticism, in terms of a table of categories of thought which can be considered as representing the general stance of each tradition, but not necessarily representative of the views
of every individual subscribing to the general stance. The merits or demerits of the contending systems of thought, will be examined in a discussion that incorporates a re-appraisal of the Weberian and Marxian systems. I will then conclude the whole discussion, by returning the epistemological considerations of the Thesis to the question that served the point of departure - i.e., empiricist-objectivism in social science and its stifling of conscientious International Theory.

a) The Divergent Categories of Positivist Thesis and Hermeneutic Antithesis.

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<tr>
<th>Social Science Methodology</th>
<th>Naturalism</th>
<th>Humanism</th>
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<tbody>
<tr>
<td>Epistemological Stance</td>
<td>Facts as True Reason and Motives as True Source of Knowledge</td>
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<tr>
<td></td>
<td>Source of Knowledge</td>
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<tr>
<td>Methodological Perspective</td>
<td>Holism</td>
<td>Atomism</td>
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<tr>
<td>Abstracted Ontology</td>
<td>The Observable</td>
<td>The Conceivable</td>
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<tr>
<td>Unit of Analysis</td>
<td>The Collectivity</td>
<td>The Individual</td>
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<tr>
<td>Level of Analysis</td>
<td>The Social System</td>
<td>Human Action</td>
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<tr>
<td>Frame of Analytic Reference</td>
<td>The System's Processes</td>
<td>The Values and Motives of the Actor</td>
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<tr>
<td>Technique of Investigation</td>
<td>Quantification, and Deductive Generalization</td>
<td>Interpretive-Understanding</td>
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The issues involved in these categories of thought which, I have schematically constructed to distinguish Positivist-Naturalism from Hermeneutical-Humanism, are basically two, and these may be defined as follows.

1) The question of the 'objectivity' or 'subjectivity' of social phenomena.
ii) The question of acceptable criteria of 'objective' (value-free) mode of analysis and theoretical claims about reality.

Though it is the first issue that directly relates to the Naturalist-Humanist debate, the two are, however, inextricably connected in the sense that, it is the latter that both gives rise to, and sets the frame-work for, the discussion of the former. What results from the first issue, is the creation of a 'system-action' dichotomy, to characterise the polar perspectives of Positivism and Hermeneuticism, in social science. And whilst this issue has ontological significance in that, the divergent perspectives of 'system's analysis' and 'action approach', each reflects what its proponents consider to be the most viable unit of analysis of social reality, it must not, however, be assumed that the issue itself arises as a problematic of the social construction of reality (as a praxis). Far from this being the case, it is an epistemological-problematic, created by the social scientist's own technical needs or aims, to delineate or abstract a specific realm from the manifolds of social reality, to represent the 'real analytic object' of the whole. To be more precise, the issue and the controversial arguments it has generated, have been necessitated by the Positivist's attempt to create a social science of precision methods by which, analytic findings would be based on sources (data or object of analysis) and evidence (empirically verified propositions), which are free from the ideological and ethnocentric biases of the investigator. The Postivists, convinced of the lawful association of all phenomena, and hence, of the susceptibility of social phenomena to objectification (quantification and theoretical generalisations), have sought and discovered this objective unit of analysis of society, at the system's level where, the 'facts' of social reality are most observable and are, apparently, divorced from the conscious will and idiosyncracies (non-quantifiable social forces) of the actor.
The general Hermeneutical response has been the movement towards the extreme 'action' perspective, on grounds that the meaningfulness and value-laden character of all social phenomena, make their quantification and causal generalization difficult. Instead, the investigator of social phenomena must attempt the interpretive-understanding of the particular motives and circumstances, attending each observable social act.

If the above representation of the Naturalist-Humanist debate and, the arguments supporting the divergent positions within it, are acceptable, then the question that provides an appropriate framework for their critical examination, must be this. To what extent can we consider the abstraction of either 'system's processes' or 'human-action', to be accurately representative of the 'real essence and dynamics' of society, seeing that the latter is fundamentally an intersubjective reality in which, both the imperatives of the system and the conscious activities of the actor, are united in an ongoing, dialectical relationship?

My answer to this question can only reiterate the criticisms made earlier against the Realist-Behaviouralist paradigms in International Theory. Both those paradigms, and the perspectives offered in the Positivist and Hermeneutical schools, employ units of analysis which, not only distort the reality of the subject of sociological analysis, but also reify individual social elements to positions of causal dominance within the whole. I should, however, like to amplify these criticisms, so as to enable the consideration of the synthesis of the perennial 'system-action' dichotomy, via the principles of Dialectics and Materialism, employed in the sociological system of Marx and Engels.
Against the 'systems' unit of analysis, it must be noted that, it is greatly dependent upon the postulation of human behaviour and associated social relations, in law-governed terms. This implies that, given the same set of social conditions, all human beings will emit identical behavioural responses to any set of particular environmental stimuli. Such a proposition denies the agent of social phenomena, the capacity for conscious and meaningful action in an 'individualistic' way that may not be generalizable. The indisputable notion that, society is historically the creation of the human actor, must direct us to the unequivocal acceptance of the idea that, the conscious and meaningful interactions by which, the observable 'facts' of society are created, are those involving the 'reflexive' activities of the creators. Reflexive, in the sense that, though members of a particular social community may be governed, in their behaviours and relations, by common institutionalized and autonomous rules, norms, values, expectations, etc., each individual, however, responds to these systemic imperatives, not like the instinctive reaction of say, an animal to the 'mating-season', or a computer to its programmed cues. Rather, human responses are mediated or processed through 'psychological patterning' - a process in which the person reacts to a situation common to all, in accordance with what he/she knows, feels, thinks, and expects about the situation, his/her response and the possible reactions of others to his/her chosen response.

To rule out this 'individuality' of human behavioural responses, is to court the dilemma of using correlated individual facts and statistical conditions of generality (which have mainly descriptive values), to explain the causal factors of a phenomenon. When Durkheim was faced with the same problem, of variable individual responses to single factor causes, in his study of suicide trends with statistical
data, he had to retreat from his methodological maxim that, 'of all the instances of a phenomenon classed together by a particular definition (or general law), there will be some other single social fact as their causation'. (25). But in his perception of different causes of suicide, Durkheim was led to the classification of different forms of suicide (anomic, altruistic, egoistic, fatalistic, etc.), to correspond with the different causes. Yet, this rescue attempt fails when he had to rely upon the non-observable, psychologistic concept of 'suicidogenic impulses', to account for both the variations in the incidence of particular suicides within and between communities, and the different forms of suicide occurring amongst a population subjected to common social pressures of a suicidal kind. (26).

Given the problems of quantification of social variables and overgeneralization of behaviour patterns, that a purely systems abstraction must face at the level of causal theory, a case can be made for the utility of the concepts of *reflexivity* and *indexicality* involved in the hermeneutical approaches. The concept of reflexivity reveals the intersubjective nature of the human social world, by relating meaningful behaviour to a situational or interaction domain, as opposed to a systemic property. The concept of indexicality, on the other hand, implies that what is meaningful in any given social situation, is always problematic, even for the actors themselves. To the extent that the actor must employ 'self-reflection', to remedy the indexical nature of meanings entailed in his everyday interaction situations, then it is even more important for the investigator to realize that, the understanding and explanation of social phenomena, require more than the matching of substantive matters. Though human beings interact with the aid of publicly accessible linguistic categories and behaviour expectations (which thus imply the probability
of rational and predictable behaviour patterns), the existence and persistence of private, hidden and inaccessible areas of meaning (actors' asocial motives or misconceptions), also imply the difficulty of achieving any appreciable degree of accuracy by application of lawful generalizations, derived from observable data at the systemic level. As mentioned earlier, the system may portray the general needs of a given social community, but this does not necessarily reflect the sum total of the particular needs of the members of the community.

On the other hand, these criticisms about 'systems abstraction', must not be construed to amount to the vindication of the exclusive 'action' frame of reference, found in the hermeneutical approaches. This perspective is equally indictable for its circumscription of social reality and reification of particular realms of the intersubjective society. The 'verstehen' approach of Wilhelm Dilthey is particularly weak, for its reductionist and psychologistic assumptions, as well as for its intuitionist mode of explanation. This recalls Theodore Abel's critique that, though the verstehende procedure may yield information about the dynamics of human behaviour and social relationships, it still begs the question of whether the process of understanding entailed, is a valid one. This is a valid criticism because, short of the possession of 'telepathic powers', it is difficult to see how the social scientist (as an outside observer) can gain sufficient access to the mental-state of the actor, in order to arrive at the accurate interpretive-understanding of the behaviour in question. The same problem must attend the analytic schema of Ethnomethodology which, requires sociological reconstructions to be based on actor's mode of accountability. Here, the whole analytic enterprise becomes overconcerned with the reconstruction of society, as skilled accomplishment of the actors, and less oriented to the representation of
society as based on interaction processes and structural relations. There is the (unacceptable) implication that, 'everyday practical activities in society have the sole purpose of sustaining an intelligible world'. This cannot be a true reflection of social reality because, it amounts to the mere demonstration of the social order as meaningful and value-based, which is not co-terminus with the explanation of the nature and bases of the order so constructed. In other words, ethnomethodology fails to realize the limitations of 'human control' over the reality of human creation, and the fact that 'every relation of meaning in society is also a relation of power' - a matter of what makes some particular actors' account count. This is basically a problem of the role of 'ideology' in the ontological and epistemological considerations of social science, and more will be said of it later.

The last point - that there is a poverty of power perspective in the ethnomethodological approach - is also applicable to Symbolic-Interactionism. Whereas the latter's approach bridges the gap between 'subjective causes' and objective (observable) behaviour, with the analysis of the social construction of reality as a process of sedimentation, habitualization and institutionalization of everyday activities, there is still a lack of adequate attention to the dynamics of power relations in society, in the model. In their work - The Social Construction of Reality - Berger and Luckman present sedimentation and institutionalization as the mechanisms by which, reciprocally typified beliefs, experiences, roles and activities of actors are objectified and externalized, into a collective stock of knowledge (at the level of consciousness), and legitimized institutions (at the level of practical human relations). These in turn, are transmitted to, or internalized by new generations of the community, in a process of socialization, so that"potential performance of the institutiona-
lized actions must be systematically acquainted with these meanings". (27). Further, in the intersubjectively constructed social world, "I live in the commonsense world of everyday life equipped with specific bodies of knowledge. What is more, I know that others share at least part of this knowledge and they know that I know this. My interactions with others in everyday life is, therefore, constantly affected by our common participation in the available stock of knowledge" (28).

The gist of the Symbolic-Interactionist reconstruction of social reality, is the contention that sociological analysis must appreciate the intersubjective process of first, the objectification of actor-relevant behaviours into institutions, then the internalization of these by individuals via socialization, to the extent that, 'the way they did things' becomes the 'natural way we do things'. This reconstruction may be accepted as a feasible description of the processes by which, men achieve meaningful social intercourse and, maintain the continuity of their institutions and ways of life. But it cannot provide adequate explanation of 'why particular institutions occur and persist'. What the authors fail to appreciate is that, the processes of sedimentation, institutionalization and internalization of typified collective knowledge and culture, are neither autonomous systemic ones, nor the result of consensually arranged activities. The very notion of institutions in everyday life, implies the need for societal control of the behaviours of members; and such social control can be revealed to be historically and structurally, the functions of norms and sanctions imposed by the powerful elements of the society, often without the commonalty consensus of the cross sections of the society.
That social structures are not founded on the bedrocks of commonality consensus, but upon the configurations of power relations, is a view that is difficult to oppose. Even in the absence of conflict of interest among members of a community, there are bound to be disagreements over the question of appropriate means of achieving consensually determined ends. The need for societal control of behaviours, and for institutiona-
ized direction of relations and roles, is thus a function of either the breakdown of original consensus or, the anticipation of deviance from habituations, on the part of both 'disillusioned members' and the 'new generation'. In both cases, the process of social construction of reality must be seen in 'power-relations' terms; especially since the principles, norms, values and rules which may govern social interaction at any point in time, are not totally representative of the 'preferences' of the cross sections of the community concerned. Since these governing elements are but abstractions from a multiplicity of alternatives, what maintains a particular social order is not different from what maintains its structured power relations.

And Materialism.

The need for a synthesis of the system-action dichotomy, cannot be over-emphasised, for the simple reason that the dichotomy has, for far too long, prolonged the conceptual disjunction of 'free-will actor' and 'deterministic system', in the study of a reality in which, both are by the very nature of human social praxis, united in a dialectical sense. Within the Philosophy of Social Science, the general literature is replete with arguments advancing the respective claims of the Weberian and Marxian systems of thought, in this context. I hereby, examine the comparative claims of the two.
Lax Weber's attempt at the synthesis of 'free-will' and 'determinism' in social science, takes its initial inspiration from Kantian Idealism and the notion of 'noumena' with which, Kant tried to reconcile the Empiricist's world of 'experience' and the Cartesian world of 'rational judgements', as two indispensable means of acquisition of human knowledge about the external world. Weber's whole synthetic scheme rests upon the abstraction - rational social action - which is analytically conceivable and explicable, in terms of motivational hypothesis (at the level of theoretical propositions) and observational statements (at the level of empirical validation of these propositions).

For Weber, sociological explanations must be adequate at both the levels of meaning and causality. That is, they must be based on general theories of human behaviour and social relations in which, meaningful and intentional human action finds analytic expression in lawful propositions which are empirically testable. The concept of rational social action which provides the means for the development of such theories, is synthetically significant in the following senses. Given the rationality of the behaviour in question (it results from the actor's calculation of appropriate means to possible ends), and its social orientation (it takes account of the behaviours of others), 'action', thereby, is removed from the exclusive influence of the actor's emotional impulses (which are not quantifiable, and hence, incapable of lawful generalization), to the realm of the social liebenswelt where, on the basis of the investigator's familiarity with the normal societal expectations attending that act, causal statements can be deduced as propositions which, could be as near to scientific abstractions as are necessary, for the development of a general theory, applicable to all instances of the act in question. Further, the postulated 'rational social action' is systematically consistent with
Webster's application of the ideal type in his general sociological theories. Methodologically, therefore, the analytic statement derived from motivational hypotheses and tested by observation, are thus, statements relating to ideal type behaviours and behaviour-situations. This, in turn, enable research to be conducted with 'controlled variables', thus enhancing the predictive capacity of the theories so constructed.

In commentary, I must say that the Weberian methodological scheme has considerable problems involving ideational tension, theoretical contradictions and conceptual muddles; all related to the abstracted unit of analysis - rational social action. The abstraction is made at a level of analysis (individual actor), and by application of methodological individualism. This does not conform with the 'empiricist canons of science' that Weber is anxious to satisfy. In his view,

"Statements that refer to collectivities can always in principle be expressed as the behaviour of concrete individuals". (29).

This makes rational social action, not an objective reality or ontology in its own right, in the sense that satisfies the empiricist assumption that, the objective reality of scientific knowledge must be regular, subject to recurrent uniformities, and independent of the conscious will of the actor. Rather, the objectivity of rational social action is achieved via operational definitions. Rational social action is that which is not insane and has pragmatic implications, because it is conceivable in its social orientation and or cost-gain calculus. This is a narrow definition of social action; it delimits the relativity of 'rationality', by cutting out acts which could be emotionally induced, meaningful mainly with reference to the actor's own cognitive and affective states, and have no immediate sociological referents, such as the ritual rules and norms or the normal
behaviour expectations of the society in question. This implies that, Weber plays down the multiplicity of behaviour options and predispositions, in order to achieve the analytic object that satisfies the canons of 'empiricist science'.

The validity of the identification that Weber achieves between motivational-hypothesis and causal generalization, must also be held in doubt. It is an identification based on the arbitrary distinction between direct-understanding (which, to him, is not sociological because it only requires knowledge of the logical structure of a thing or proposition - for example, \(2+2=4\)), and explanatory understanding (which is sociological because, it transcends the analytic meaning, to discover latent meaning; i.e., the reasons for the advancement of the proposition in the first place). The distinction is arbitrary because, both categories of understanding may or may not reveal the true meaning of an event or behaviour, unproblematically. The grasping of the true meaning of an act, depends on both direct understanding (familiarity with the symbolic universe of the actor) and explanatory-understanding (imputation of motives to the actor, the accuracy of which is more a question of probability than it is of lawful causation). Moreover, since there can be no form of human understanding (layman or scientist) that is not dependent on apriori assumptions and interpretations, the distinction is quite redundant.

These problems identified in the Weberian methodological system, are largely the results of the mutual pull of 'empiricism' and 'hermeneuticism' in his epistemology, and more particularly, the function of his desire to satisfy the empiricist conditions of scientific knowledge. In the latter commitment, Weber saddles his whole synthetic exercise with the problem of determination of the real nature of the relationship between 'free-will actor' and 'determining system'. This is a problem that turns out to be quite artificial in its occurrence, and indeed, without doubt
epistemologically arises for all empiricist-based social theories, as a result of their subscription to the axiomatic dualisms - fact and value, subject and object, among other dichotomies. It must be recalled that, the resolution of this Problem in Positivism, takes the form of defining what is 'real' and has ontologically privileged status, in terms of empirically observable things which have the capacity to satisfy 'statistical' conditions for regularity and lawful generalization. (Later on, I hope to expose the additional problems which the acceptance of these conditions of 'objective reality' and the criteria of validity of claims about it, bring to social science).

The fundamental difficulty for Weber, lies in the positing of a unit of analysis which, though may satisfy these empirical conditions, yet cannot be representative of the real essence and dynamics of social reality, because it is an abstraction that leaves a whole plethora of variables unaccounted for, at the level of causation. Weber should have realized that there are social forces which condition human action to be initiated subjectively, yet are not attributable to the exclusive causation of the 'actors' free-will' or the 'system's imperatives'. A combination of both forces in any set of social relationships must be recognized, because the relationship between the actor and the social system develops a dialectical process in which, neither the actor nor the system can be isolated and given a dominant role, in the determination of social phenomena. The bureaucratisation of social relations is a typical example. The bureaucracy has established rules and norms which govern the activities of its role-occupants. But these rules and norms do not necessarily operate as rigid systemic imperatives, so that they dampen or inhibit the initiative of the individual role-occupant. The individual acts in accordance with the rules and norms, but he/she
does so in his/her personal style and understanding of the demands of the role position. In this case, the demands of the system (determinism) and the actor's understanding and performance of the role expectations (free-will), are merged to constitute a dimension of the whole system, that is neither the exclusive property of the system nor of the actor, but is essentially a phenomenon whose essence must be understood from the perspective of the relationship between actor and system. The epistemological implication of this is that, a sociological understanding and explanation of this dialectics of social phenomena, requires the analytic movement from the 'individual' level of abstraction, to a societal level that is not, however, dependent upon the system's processes as such, but is organically interwined with both system and actor. This level of abstraction is the realm of structural relations between the societal members. I must, therefore, conclude that what Weber achieves with his methodological system, is not the synthesis of the action-system dichotomy, but the juxtaposition of an action level of abstraction with a systems level of analysis and validation.

These problems identified with the Weberian system, are relatively absent, and easily avoided in the Marxian system, for the following reasons. First, though the Marxian approach involves abstraction, what constitutes the abstracted unit of analysis - the structural relations in society - retain the concrete reality in which parts and whole are still united. That is, the abstracted part is analytically constructed in relation to the totality, without the need to distinguish conscious action from systemic imperatives. Secondly, and as result of the method of abstraction, there is no co-termination of 'appearance' and 'reality' in the Marxian approach; the observable is not necessarily representative of the real essence. Thirdly, the Marxian system is, at its very inception, synthetic of
free-will and determinism, since there is no initial separation of consciousness and reality. These views about the Marxian system have their foundations in the articulation of the principles of Dialectical-Materialism, in the various works of Marx and Engels.

To conceive of a Marxian methodology would be slightly mistaken because, nowhere in the various works of Marx and Engels is there a systematically worked out analytic schema, akin to that found in Positivism and other disciplines. Nonetheless, Marx's sociology is based upon certain epistemological and methodological principles, which have come to be known as 'dialectics' and 'materialism'.

The dialectical principle is simply the prescription that, all things must be studied and explained in their concrete interconnectedness - i.e., with reference to their sequences, movements, causation, growth, internal and external relations, change and decay. With the dialectical approach, appearance is not necessarily co-terminius with true reality. Thus,

"...all science would be superfluous if the outward appearance and the essence of things directly coincided". (30).

Dialectics also posit a 'thing' and its 'negation' as not simply the existence of opposites, but as phenomena in functional interdependence. Thesis and antithesis must be studied in terms of the ways and forms in which, they affect one another in their processes of existence and change. In the Marxian conception of dialectics, what is of greater moment in the processes of phenomena, is the 'law of their variation' - their transition from one form into another, from one series of connections into a different series. In this sense, the dialectical comprehension of the world, is more in terms of its complex processes, as opposed to seeing it in terms of a complex of ready made things.
The concrete object of dialectical analysis finds expression, not simply in the distinctive material existence of a thing (which is the empiricist's conception of things in themselves), but in the thing's existence in complex relations with other objects - relations which cannot be known by mere direct observation, but must be discovered by examination of the connections within the universe that the object of analysis is a component part. Thus, in the second German edition of "Capital", Marx argues that the concrete analysis of concrete conditions must not, "in considering individual things lose sight of their connections", or "in contemplating their existence forget their coming into being and passing away". (31).

Materialism, on the other hand, is the epistemological position that, the social world is constituted of a 'unity of consciousness and practical activity', and that this unity consists (or must be seen) in its materiality. According to Marx, the potential constructive nature of human consciousness is not reducible to a mere act of cognition, since cognitive action is practical and material itself. Thus,

"It is not the consciousness of men that determines their being, but, on the contrary, their social being determines their consciousness". (32).

This statement which indicates the German Idealists for seeing 'history' as the exclusive product of 'ideas', has often been interpreted by Marxian commentators, to imply a neo-positivist stance that strains towards mechanical-materialism and, to amount to the contention that consciousness is a mere reflection of material life. This is far from the case because, the concept of materialism in Marx, is as critical of such mechanical and deterministic interpretations, as it is of the neo-Kantian and neo-Hegelian Idealists. The key to the proper understanding of the Marxian usage of 'materialism',
lies in the notion of 'human praxis'. Social life, according to him, is essentially practical, and human practice is at once conscius, purposive and productive. Men, he writes,

"begin to distinguish themselves from animals as soon as they begin to produce their own means of subsistence. And it is from this labour process that human practice derives its distinctive character. The mode of production.....is a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and how they produce. The nature of individuals thus depends on the material conditions determining their production". (33).

The working out of these principles in the major works of Marx and Engels (Capital, German Ideology, Grundrisse, Theses on Feuerbach, and the Critique of Political Economy), reflects a mixture of the Realist view of science (which is critical of the Positivist's conception of explanation and theory), a 'structuralist analysis' (that reveals the intersubjectivity of system and action, and the unity of consciousness and activity), and a concept of 'ideology' (that is critical of both German Historicism and the 'naturalist' philosophies of the classical political economists). The Marxian conception of 'ideology' will be discussed later on, in the context of the Materialist Conception of History, social change and the Capitalist mode of production.

When combined into an epistemological/methodological system, Dialectical-Materialism advocates the position that, a well grounded and reliable social theory can be obtained, only by the methodolo-
gical investigation of concrete phenomena, the findings of which must be subjected to experiential test. Such a theory is adequate, not only because it is testable, but more important, because it is informative of social practice. The epistemological significance of a social theory resides, not merely in its cognitive reflection upon an external world, but primarily in the functions it serves in the changing and shaping of the social world. What counts as truth or falsity in Dialectical-Materialism, is not necessarily what can be discovered and verified by observation statements, but what can intelligibly be seen as having a causal (historical and structural) interconnection with the material life of humans in society, since reality is what is shaped by the practical activities of conscious men.

"Man is not an abstract being, squatting outside the world. Man is the human world, the state, society". (34).

From these premises, a systemic theory of social dynamics and statics emerges in the Marxian system, which is historical and structural. Its unit of analysis is the 'relations between men', precisely, 'class relations', as these are determined by the forces of production of their material life. Marx's structural analysis is quite distinct from that contained in the Structural-Functionalism of Talcott Parsons and associates. In the latter, structural properties like roles, laws and rules, are identified with the system per se, rather than with the dialectical relations between actor and system within which these grow. This creates ideational tensions, most evident in the work of Parsons. Parsons starts from the methodological position that, an adequate theory of social action must be voluntaristic, to allow analytic attention to both the normative (cognitive, cathetic and evaluative aspects of the actor's motivation) and conditional elements (socially shared beliefs, values, etc.).
But he arrives at the contradictory position that, a person's role in society is taken as given, fixed and determinate, from the system's point of view. (35). Again, though he concedes that conformism or integration of motives and cultural standards with a person's own 'need fulfilment' is not universal, in the sense that, "complete institutionalization of the action elements is a polar case only", he however, dismisses this situation as an aberration. It is a "limiting concept which is never descriptive of a concrete social system". (36)

There is no such contradiction in the Marxian structuralism. Here, the constitutive elements of a structure are united by a single causal mechanism (class relations), which is specific to that structure and in fact, is that structure's defining characteristic. Cause and effect of any phenomenon that has its location in the structure, are therefore, functions or aspects of the structured relations between the elements.

6. CONCLUSION: THE QUESTION OF 'OBJECTIVISM' RE-VISITED.

As I stated in the Introduction, the 'case for class analysis of International Relations' rests, epistemologically, on the failure of the authoritative paradigms (Realist and Behaviouralist) to come to grips with the intersubjectivity of all social phenomena, and their consequent tendency toward reductionist theories which, either distort or play down the historical and structural factors responsible for the immense material and cultural inequalities, in the world today. The case for class analysis does not, however, rests solely on this negation of existing International theories. It has positive and substantive epistemological claims of its own, and these are linked with the salience of the Marxian system of 'dialectical-materialism' in which, class relations play a central role.
In this case, the substance of class analysis depends upon the capacity of the Marxian system, to withstand the critique (vide Karl Popper) that, its 'historical laws' fail the test of scientific objectivity because, they are 'essentialist' in their formulation, and metaphysical in the attestation of their knowledge claims.

In my opinion, the defence of the Marxian system against this critique, rests upon two main issues.

1) The accuracy of the interpretation of 'dialectical-materialism' found in the arguments of the critics.

2) The validity of the 'empiricist criteria' of objectivism which, provide the grounds for the rejection of the Marxian system.

The first of the two issues recalls the Popperian critique. This starts with a definition of 'historicism' as the idea that, "history moves into its predestined future with the inexorability of fate". Thus, the dogmatic belief of Marxists in the inevitable overthrow of Capitalism by a proletarian revolution which, is predestined by the Marxian historical laws. Such dogma, according to Popper, derives from the Marxist's violation of the canons of science, by advocating a mode of analysis that relies on theoretical generalization, to grasp the essence of the object of analysis.

Such essentialism, he claims, makes Marxism a total system of thought that lacks, not only the methodological precision of the physical sciences, but also any empirical foundation by which, its ideas and claims about the world can be shown to be valid or mistaken. The Marxian system, therefore, is meta-theoretical because its propositions can explain anything and everything, and are easily rationalised when faced with counterfactual evidence. At the philosophical level, what rankles with Popper is the Marxian 'dialectics' which, he claims, reinforces the 'historicist dogma'. According to him,
"Marxism has established itself as a dogmatism which is elastic enough, by using its dialectical method, to evade any attack. It has thus become what I have called a reinforced dogmatism". (37).

The question arises as to the accuracy of his interpretation of the Marxian dialectics. In his definition,

"Dialectics is a theory which maintains that something - more especially human thought - develops in a way characterised by what is called the dialectical triad: thesis, antithesis and synthesis". (38).

From this definition, he arrives at the conclusion that, dialectics rest on the assertion that contradictions cannot be avoided, since they occur everywhere in the world. In which case, dialectics permit the co-existence of logically self-contradictory statements as both truths, and this amounts to a violation of the logical 'law of the exclusion of contradictions', in epistemology.

"For if we are prepared to put up with contradictions, pointing out contradictions in our own theories could no longer induce us to change them". (39).

There can be little doubt that Popper misrepresents the Marxian conception and application of dialectics, in ways that compliment his critique of the Marxian system. And as Maurice Cornforth has pointed out, unless Popper is claiming that Marx and Engels did not really mean what they said about dialectics, and he Popper wants to be their spokesman, then he is providing an inaccurate, biased and subjective account. (40). The brief exposition I gave to Dialectical-Materialism bears this out. So does Lenin's representation of the system.

"Anyone who reads the definition and description of the dialectical method given by Engels will see that the Hegelian triads are not even mentioned, and that
it all amounts to regarding social evolution as
a natural historical process of development....
What Marx and Engels called the dialectical method
is nothing more than the scientific method in
sociology, which consists in regarding society
as a living organism in a constant state of develop-
ment, the study of which requires an objective
analysis of the relations of production which
constitute the given social formation and an inves-
tigation of its laws of functioning and development". (41).

How scientific is Dialectical-Materialism, notwithstanding
the Popperian misrepresentation? This question recalls the second
issue - the validity of the empiricist criteria of objective science -
which provide the standard of judgement. The empiricists assume that
what counts as truth or falsity is what can be both discovered and
tested by reality. Reality is equated with the directly observable.
Thus, as long as a theory is advanced in propositions which can be
tested and verified by direct observation, then that theory is scien-
tifically validated. Popper's modification of this with the princi-
ple of 'falsification', changes neither the significance nor the
problems which this criteria invites. He agrees with the critical
observation that, observation statements are never atheoretical.
As one writer puts it,
"To analyse is to explain, and explanation of facts
is inseparable from the interpretation of what is
perceived. It is from the interpretations of facts
that we establish the conceptual and theoretical
frameworks within which the analytic object is
studied, and from which deduced observation state-
ments are validated". (42).
If theories can never be objectively verified on observational grounds, because any observation statement that can be made is theory-impregnated, then for the same reason, no theory can be conclusively falsified on observational grounds. This implies that, the claims of the empirical-analytic approaches to value-neutrality, on the basis of their own prescribed conditions of objectivism, cannot be sustained. Also important, there is an absurdity in the alternative Popperian system of Falsificationism. This is that very little useful knowledge would come out of scientific activity, if science is all about the formulation of propositions for the sole purpose of their falsification. The time and money that would be needed for this falsification process, would certainly discourage research activities.

The overall implication of the failure of the empirical-analytic schools to survive their own tests (which have been used to invalidate other systems of thought) is that, the empiricist criteria of objectivity cannot have the status of a general standard by which, all methodological systems and theoretical claims about the world, can be evaluated. The consequence of this is what John MaClean has termed, "the internal/external problem of validity of criteria of explanation". (43). As the writer recognizes, the internal dimension of this problem is not so acute, since it relates mainly to the mode of analysis prescribed within each particular school of thought. Its external dimension, however, demands a universal consensual resolution, given the need for a general criteria of validity which transcends individual systems, so that different approaches can be compared for their relative cognitive adequacy and epistemological relevance. MaClean suggests a solution in which, there is a movement away from the search for universal criteria, to the acceptance that a theory is adequate to stand in opposition to competing
theories, to the extent that it does not beg the question in relation to the latter. (44). The writer further explicitly accepts the 'inevitability of relativism', on the whole issue, and thus, by implication accept the co-existence of competing intellectual systems, each with its exclusive criterion (or criteria) of validity of knowledge claims. This suggestion may remove the problem of individual schools attempting to impose their 'knowledge systems and methods' on others, but it does not adequately resolve the issue of the need (in my opinion), for both the intellectual communities and the society at large, to have an overriding common standard of judgement for all knowledge claims, relating to a particular universe or phenomena. To accept the suggestion as it stands, would imply the acceptance of the notion that, the scientific production of knowledge is carried out within separated communities who, not only exist as sovereign entities with mutually exclusive principles and methods of research, but also remain unconcerned with whatever 'distortions of reality' occurring within the realms of the other communities, so long as 'reciprocity' is observed by all in their inter-communal relationships. Secondly, there is the implication that, the adequacy of a mode of acquisition of scientific knowledge, must be certified by the criterion of 'cognitive adequacy' of the method in question. While this may satisfy the requirements of intellectuals, it does not necessarily satisfy the 'needs' of the society at large, especially the needs of the majority, as opposed to those of the privileged and powerful minority.

Scientists may live in 'ivory towers', but they have (or should have) 'social responsibilities' which transcend their immediate professional (ie., basically academic) interests. This is because, it is the knowledge they produce and disseminate that greatly influence the organization and administration of society. What they produce, and how they produce it, are not the exclusive concern of 'scientists', for few are the societies that would be impressed by their intellectuals, if the latter lack common rules and principles governing their internal relationships. They should have
a common, indivisible social responsibility to produce useful knowledge, relative to the solution of social problems and the furtherance of man's progress. In this case, scientific methods and theoretical claims derived from them, must be validated, not solely by the criterion of their 'cognitive adequacy' (which can only satisfy the needs of the scientific communities), but also by the criterion of the 'social usefulness' of those systems of thought (which, in my opinion, should be the real essence of epistemological relevance of a knowledge claim). This brings the discussion back to the question of the scientific validity of Marx's Dialectical-Materialism.

Dialectical-Materialism as a social science methodology, is scientific in several senses in which, the empiricist conditions of statistical regularity and generalization are not applicable, since these have mainly predictive values. First, 'dialectical-materialism' satisfies the condition that, scientific analysis of any phenomenon must explain 'why' things are as they are. In this, the method recommends the 'concrete analysis of concrete conditions', and it does so by employing a unit of analysis that is not divorced from its concrete historical and structural conditions - class relations. Secondly, the system is not based on the analytic deduction of conclusion from logically constructed laws, as its critics claim. It gives rise to the development of 'historical laws' from which, derived theoretical propositions can be subjected to test of validity, by reference to those concrete conditions informing the theory. This means that theories based on dialectical materialism are testable, and are not metaphysical as Popper claims. Thirdly, and most important, theories based on the application of 'dialectical-materialism', are not abstract theories which do not reflect the true reality of the subject of study, but theories which inform social practice, as the principles of the system demand. In other words, 'dialectical-
materialism has epistemological relevance which, transcends pure intellectualism, to involve theories based upon it with the numerous problems of the human social world, and the means of advancing the progress of the human race.

Doubtless, empiricists who believe that it is not the business of the scientist to make value-judgements, would object to my conception of epistemological relevance of knowledge claims and the credit it bestows upon the Marxian approach. I can only answer this criticisms by quoting a statement which, expresses a growing sentiment amongst most contemporary students of the global system - viz. the sentiment of post-behavioural 'consciencism'.

"The naive pleas that the brutal data of human deprivation on such a scale should somehow be 'above politics' displays both a wilful disregard of the nature of entrenched inequality and a denial of the materials from which politics must be created. The same is true of technocratic approaches which see the achievement of forecasting, allocation and appraisal free from interference of politics. Both views - misconstrued assertions on behalf of the qualities of 'heart' and 'mind' - are grossly inadequate to the extreme responsibilities of effective analysis and action that have to be faced". (45)

With the epistemological case for class analysis closed on this note, I now turn to the concrete historical and structural conditions which, provide the substantive grounds for its application in the study and explanation of the political-economy of the modern world society.
NOTES TO CHAPTER 4.


2. ibid; p.1052


5. John Locke, in his 'Epistle', not only rejected the Cartesian doctrine that, "there is in the understanding certain innate principles which the soul receives in its first being...." (see E.S. Haldane & G.R.T. Ross, trans. - "Philosophical Works of Descartes", 1967, vol.1), but went as far as to exclude philosophical reasoning from the realm of scientific knowledge. Against Cartesian Rationalism, Locke argued that, "there is no knowledge a priori to experience which is at the same time informative about the world, and is distinct from our ideas or the meanings of the terms we use". Regarding the status of Philosophy, Locke claimed that, as a discipline, Philosophy merely plays the role of 'under-labourer' to real science, because it only competent to deal with the rectification of the conceptual and semantic errors which, the scientist creates in the course of production of knowledge. (see John Locke - "Essays Concerning Human Understanding", 1860).


11. The 'Realist' referred to in this chapter, must be distinguished from the Realist school of Morgenthau and associates, in International Theory. The Realist tradition in the Philosophy of Social Science, is that school opposed to the Positivist's conception of science, explanation and theory. In general, the Realist's approach embraces the Marxian emphasis on 'essences' of phenomena and their structural analysis, as the appropriate mode of analysis of society.


16. ibid; p.30.


18. This argument of the 'phenomenological-hermeneuticists is critical of both Positivist-factualism and Dilthean-psychologism.


23. ibid;


26. Emile Durkheim - "Suicide";

27. Berger & Luckman, op. cit., p. 87.

28. ibid; p. 56.


36. ibid; p. 56. see also T. Parsons - "The Structure of Social Action"; Free Press, Chicago, 1968.

38. ibid; p. 331.
39 ibid; p. 137


42. J.V.O. Quinn - "Word And Object"; Cambridge, 1960, p.32.

43. see J. MacLean - "Marxist Epistemology, Explanations of Change and the Study of International Relations"; 1981, pp.57-58

44. ibid;

PART THREE

THE SUBSTANTIVE CASE FOR CLASS ANALYSIS OF THE

POLITICAL-ECONOMY OF TODAY'S WORLD SOCIETY

"With capitalism generalized over the world system the disjunction can be viewed as still prevalent at that level however. Globally, we encounter a hierarchy of occupational tasks that reflect global market forces, and with no world government to reconcile economy and polity overall the distances between them is still in evidence there..... Besides these whole-system 'stratification' also denotes patterns of class formation and class conflict within states. The assertion of class consciousness still tends to occur in a national context rather than a global one, although as already indicated this pertains more to the proletariat than to the bourgeoisie. The modern world society, with the bourgeoisie progressively more conscious of itself as universal and standing in opposition to a plethora of other groups and strata, a global social class...... State machines have grown more concrete too, and as growing bureaucratic skills have allowed more efficient taxing and managerial skills, those who command them have developed culturally, linguistically and spiritually sanctioned concerns of their own".

INTRODUCTION.

To recapitulate, the central proposition of this Thesis is the contention that, the current domestic underdevelopment and international dependency of the Third World countries, are functions of class relations which, derive from, and are maintained by the 'capitalist mode of production and distribution of material and cultural life'. Central to this proposition, is the assertion that the 'capitalist system or mode of social formation', is a universal phenomenon - generally characteristic of the domestic systems of the countries of the world, and globally embracing the national economies of the modern world system. In this sense, the continuity of the structural relations (class segregation and class exploitation) that Capitalism naturally engenders, is the essence of the intersubjective conditions of the North-South Dichotomy. In other words, class relations must provide the frame of reference in any understanding and explanation, of the modern world system and the circumstances and roles of its constitutive elements, because it is these relations that reinforce the conditions for the perpetuation of both, the socio-economic inequalities in the world today and, the North-South Dichotomy in particular. The substantive defence of these contentions is organized at both theoretical and empirical levels.

Theoretically, my point of departure is a reiteration of the Marxian analysis of Capitalism and the Materialist Conception of History, in two respects. First, Marx's theory of Capitalism (as contained in the Materialist Conception of History (I)), is reiterated in a critique, of contemporary theories of development (precisely those theories organised and advanced from the perspective of the doctrine of 'modernism'), for their lack of intersubjectivity (i.e., historical and structural factors), relative to the process of development of the industrial countries of the North, vis-a-vis the process of underdevelopment of the Southern countries.
In this context, I will argue that these 'modernist' theories of development posit, a 'unilinear process of progression for all mankind' that, lacks both theoretical and empirical substance, in the light of the historical cases of development of the Northern industrial countries.

To the extent that these theories have been influential in both the development plans undertaken by the Third World countries to date, and in the formulation of Northern foreign policies toward the South (2), then their articulation in Development Studies has had as much detrimental effects on Third World development prospects, as have the historical and structural forces of the world system of Capitalism. Moreover, these modernist theories have created a gap between 'development theory' and 'development practice', as a result of the lack of intersubjectivity in the analytic frameworks of their construction. That is, the advocates of these theories, by their modes of analysis, have failed to see that both the development of the North and the underdevelopment of the South, are not the products of the presence or absence of certain specific pre-conditions of development, but the twin moments of one historical-structural process - the globalization of capital and its entailed class exploitation and class accumulation of profit. It is my contention that the theoretical and practical significance of this poverty of intersubjectivity in the modernist theses, can best be appreciated from the perspective of Marx's theory of Ideology, for reasons which are examined in Chapter Six.

The second sense in which Marx's Materialist Conception of History and theory of Capitalism are recalled in this Thesis, is to establish the validity of Marx's 19th century conclusions about Capitalism, to the study of the relationship between this system and Third World underdevelopment. Here, the principal task and objective of the Thesis is to vindicate the premises of the Marxian conclusions - i.e., that Capitalism requires, and itself reinforces, a system of class stratification, class
exploitation and class accumulation of profit, for its survival. These objective conditions of Capitalism which provided the concrete conditions of the Marxian analysis, are still prevailing in the structured relations of production, exchange and consumption of material/cultural life, found at the domestic and global levels of the modern world system of Capitalism. And it is their exposition, in terms of the patterns of socio-economic inequality in the national economies of the world, the North-South Dichotomy, and the roles that various international elements play to perpetuate it, that serves the empirical substance of the case for class analysis.

Before I proceed to the discussion of the propositions and stated objectives of this Thesis in this section, I must clarify certain points relating to the reiteration of Marx's Materialist Conception of History and theory of Capitalism. The first point is that, the defence of Marx's conclusions about Capitalism in the sense defined above, does not necessarily extend to the defence of the whole of the Marxian theory of social change, particularly the aspect of this theory relating to the question of the 'inevitable demise of Capitalism via the proletarian revolution'. This question is outside the purview and objectives of this Thesis, for the simple reason that, I am primarily and exclusively concerned with the explanatory question of 'why the Third World countries remain underdeveloped', and not with the prescriptive question of 'how they can achieve development'. In this context, it is my opinion that, though the Marxian prediction about Capitalism is a logical conclusion from the application of the Materialist Conception of History, it is, however, a conclusion that requires in its interpretation and understanding, reference to not only the so-called 'historical laws of Marx', but also the political considerations which motivated Marx to arrive at the prediction. That is, the prediction plays a more prescriptive role than a purely explanatory one in the Marxian theory of social change in that, it was not meant to materialize as the mere function of 'inexorable historical laws', but was predicated
upon certain assumptions - that the proletariat constituted the last of
the exploited and oppressed classes of economic society (an assumption
that I dispute later on), and hence, the historically destined revolu-
tionary class, and upon the condition that this class would, with the
maturation of Capitalism, achieve the necessary subjective-consciousness
of its objective material conditions (the transformation of 'a class-in-
itselself' into 'a class-for-itself'), and articulate this into political
action. The prescriptive element enters this scenario (with political
or even ideological implications), in the form of the Communist Manifesto
a work which, in my opinion, was meant by its authors to serve as the
guiding doctrine of the organization of the proletariat revolution against
Capitalism. This raises my second point that, in any re-examination or
articulation of Marx's theory of social change, a distinction can, and
must be made between aspects of the theory which are basically sociological
(for example, the analysis of Capitalism as a particular mode of social
formation in history), and those which have political implications (for
example, the view that Capitalism would wither away at the point of its
maturity and, with the articulation of the proletarian revolution).

The need to make this distinction between Marx's sociology and Marx's
politics arises in this Thesis, not only because I am committed to only
the sociological aspects of Marx's thought, but also because I do not
accept the East-socialist argument that, Third World development must
occur via a 'socialist path' that is predestined in 'historical laws'.
My opposition to this view is both theoretical and practical. Theoretically,
I dispute the idea that, there is in Marx's Materialist Conception of
History the postulation of historical laws of human progress which
transcend time and place. As I will argue later, whatever historical laws
are inferable from the Marxian thesis, could only have been meant to apply
to social formations exhibiting the 'concrete conditions' which informed
the Marxian formulation of those laws - i.e., what Marx termed the 'pre-
historical societies' based on class-relations. This implies that there is no conception of 'a unilinear process of human progression' in the original Marxian thesis; this conception has been identified with Marx as a result of the re-interpretation of Marx by the practitioners and ideologues of Marxism. At the level of practical considerations, I dispute the viability of 'a socialist path to Third World development', on the pragmatic grounds that the modern world system of Capitalism has established powerful institutional constraints against such a strategy that, it cannot be successfully implemented so long as Capitalism dominates the political-economic of world society, and to the extent that the East-socialist advocates of the strategy are themselves, core-actors in this world system of Capitalism.

**FOOTNOTES**


2. United States President Reagan's belief that, the existing World Economic Order is fair to all countries, and his subsequent attitude at the I981 Cancun Conference on NIEO (New International Economic Order) that, the Third World countries must pull themselves up by their own 'boot strings', provide a good example of Northern foreign policies toward the South, which are underlaid by such modernist doctrine.
"Development Studies" have always been linked with the underdevelopment and associated social and political problems which, have confronted the Third World countries ever since their de-colonization. But in spite of the cross-disciplinary attention and, the voluminous books, articles and theses which these problems have attracted to the general literature of this branch of International Relations, and Political-Economy, very little significant progress has been achieved, in the direction of development models and policy guidelines constructively useful to the needs of the Third World countries. In the words of one commentator,

"... if we are asked what new theoretical knowledge has been added to the study of development since Marx, Weber, Durkheim and Michels by more contemporary political theorists, the answer is 'shockingly little'. (I).

This lack of progressive development theory is the more disturbing, given the considerable research and practitioner attention by which, Development Studies have acquired academic chairs in world wide institutions. On the other hand, this situation is not surprising since it vindicates both the Marxian theory of ideology and the Kuhnian analysis of the 'history of scientific revolutions'. From the Marxian perspective we see the role that false-consciousness (precisely the false-consciousness of those who dominate the societal production of knowledge), plays in the retardation of human social progress; while Thomas Kuhn's analysis pinpoints the 'theology of intellectual systems' which prevents the removal of such false-consciousness. Both the
Marxian and Kuhnian revelations are seen at work, in the conventional wisdom that has dominated existing and authoritative theories of development and underdevelopment — via. Modernism.

I. THE DOCTRINE OF MODERNISM

"Moreover, what was generally true of the leading sociological paradigms was even the case in studies of long-term, large-scale social change; there too, history was absent. Instead, an abstract irreversible process called 'modernization' was said to govern each society. Time only entered this 'modernization' perspective as it appears in an airline schedule, denoting the presumptive 'take off' of one society after another, with some latter-day Protestant ethnic or perhaps a dose of 'achievement motivation' as the fuel. After that it would be smooth flying to the comfort and self-satisfaction of 'high-mass consumption' and 'civic-culture' and 'elections: the democratic class struggle', if only the disease of the transition could be avoided. And of course, standing ready with all manner of vaccines against the disease was the imperial apparatus of the United States". (2).

Modernism is not peculiar to the Western-bourgeois development thought; it has an East-socialist variant that is almost identical, in its theoretical implications and practical consequences, with the Western version. Both versions of the modernist doctrine present socio-economic development as a function of certain 'preconditions' which, the modernizing society must satisfy in the process of its transition from traditional-agrarian economy to modern industrial economy.
Usually, the so-called preconditions of development specified in the contestant East and West models, reflect the respective social institutions and their ideological underpinnings which characterise the systems of Western Capitalism and Eastern Socialism. More important, the models are advanced in theoretical terms in which, a 'unilinear conception of human progress' is implied, at the same time that the 'developmental paths' prescribed in them, have the imprint of a 'universal, natural law' whose imperatives no modernizing society can escape.

a) Modernism in the Western-bourgeois Literature.

The Western literature, beginning with W.W. Rostow's antithesis to Marx's Historical Materialism (3), generally sees the transition of societies from their traditional-agrarian origins, to modern industrial systems, as a process of stages of development, each stage characterised by certain preconditions or prerequisites which must be satisfied by the modernizing society. Rostow's theory, organised from the economic perspective, conceives of 'stages of economic growth' with the following features:

i) The stage of traditional society in which, production functions are very limited and based on pre-Newtonian science and technology while, the rate of capital formation and investment is at or below 5% of net national product, relative to the very high rates of population growth.

ii) The pre-take-off stage of utilized national wealth, highly favourable balanced growth between population and natural resources.

iii) The stage of take-off, characterised by a rise in the rate of productive investment from 5% or less to over 10% of national income, social and institutional frameworks which exploit the impulses to expansion in the modern sector, and the potential external economy effects of the take-off, and gives to growth an ongoing character.
iv) The stage of sustained economic growth to maturity.

v) The stage of high-mass consumption or development.

From the historical cases of the industrial development of Great Britain, France, United States of America, Germany, Sweden, Belgium and Japan, Rostow concludes that,

"........ the process of economic growth can usefully be regarded as centering on a relatively brief time interval of two or three decades when the economy and the society of which it is a part transform themselves in such ways that economic growth is, subsequently more or less automatic. This decisive transformation is here called the 'take-off'". (4)

Other Western theories invoking the same idea of preconditions of development, but from a more general perspective, include the writings of George Homans, Gabriel Almond, Talcott Parsons, J. J. Spengler, Alexander Eckstein, to name but a few. (5).

Eckstein, for instance, sees economic growth and development as dependent upon the 'broadening of the range of alternatives open to a society', in its politico-economic relations. According to him, there is a potential correlation between 'individualism' (meaning the greater political or civil rights of individuals and privatization of economic activity) and economic development; and,

"........ the extent to which this potentiality is translated into reality will depend upon the role played by individual choice and initiative in resource allocation, regardless of whether the choices and decisions are in fact arrived primarily within the confines of
the economic or political process". (6).

In his opinion, such individualism and initiative are more or less automatically assured in free-market economies, as opposed to the institutional restraints imposed upon individuals within 'command economic systems'.

The sentiment or belief that liberal-democratic institutions and free market conditions are the fundamental vehicles upon which the developmental process of any society rides, is shared in particular, the American Structural-Functionalist theorists. These theorists tend to argue that, institutions similar to those of the West will result in economic growth, faster than the command systems, while the non-mobilizational systems (meaning non-totalitarian) will develop faster than those based on mass-mobilization. (7). In other words, the Western-bourgeois concept of modernism assumes the operation of a universal law of human-social progress which, the Western-capitalist countries have discovered and benefited from, in both thought and deed. And in this discovery, their material and cultural progress stand (or should stand) as the beacon that guides the developmental pursuits of all latecomers.

b) The East-Socialist Version of Modernism.

The advocacy of a 'socialist path' to socio-economic development, carries the implication of a natural law of human social progress which, can be discovered with the adoption of the institutions characterising the Soviet bloc of countries. Though the general theory has been modified in recent years, in consonance with the revisionisms of Marx's thought by the Eastern practitioners, the implications remain the same. The whole model can be summed in the following quotation.

"History has shown that mankind in its development passes through certain stages of social and economic formations; the slave-owning system, feudalism, capitalism and socialism. However, as Lenin has established theoretically, in our epoch certain economically -
backward nations do not necessarily have to go through all the above mentioned stages of social and economic development. Lenin said that these nations can go over from the pre-capitalist or early capitalist stage of development if they are given help by the victorious proletariat of a socialist country. Non-capitalist development means above all an effective struggle against uncontrolled and exploitative operations of foreign capital, and the development of a state sector in the economy by building state-owned industrial enterprises and farms and nationalizing banks and foreign trade. The state should implement progressive changes in rural areas, including the setting up of producers' co-operatives. Much of this has already been done in socialist-oriented countries. (8).

From the above quotation, the only difference between the Western model of development and that of the East, is in the divergent institutional structures emphasised as pre-conditions. Against the bourgeois categories of economic decentralization, liberal-democratic government and social pluralism, are posited the socialist conditions of collectivization of property, centralized planning and state-enterprises, and single-party forms of government. That these contrasting preconditions of development mirror the ideological conflict between East and West, there can be no doubt. The critical consensus among commentators like Gerald Meier, Paul Streeton, Ignacy Sachs, Aidan Forster-Carter, to name but a few, is that both models proceed from an interpretation of history, that is grossly simplified and mechanistic, to validate the social systems existing on each side of the Iron Curtain. (9). What is more important to
note, are the negative consequences for the developmental prospects and planning of Third World countries, flowing from the East/West attempts to sell their models to the client countries. These are examined below.

2. THE FALLACIES AND CONSEQUENCES OF MODERNISM, RELATIVE TO THE UNDERDEVELOPMENT OF THE THIRD WORLD.

The general implication of the doctrine of modernism (in both its Western and Eastern versions) for the theory of Third World underdevelopment, is that these countries remain in their present socio-economic and political predicaments, mainly because they maintain institutions and ways of life which are highly inimical to the 'modernization process'. Where the bourgeois version emphasizes 'traditional institutions', as the factors stifling the achievement motivation and adaptive capacity of the Third World countries, to the demands of modernization, the Eastern-socialist version emphasizes the exploitative effects of capitalist production and capitalist imperialism, as the responsible factors. It is thus obvious that, the seeds of the underdevelopment disease are found, in both versions of modernism, to be located in the victim's own inadequacies; though the socialist version extend this to include the role of international capitalism. It is also obvious that both versions amount to attempts to exonerate, either East or West from responsibility, or to make the other side more responsible for the Third World predicament.

The general argument in the Western-bourgeois literature is that, the Third World countries, by their relative socio-cultural and political backwardness (judged by Western standards), have failed to take advantage of the immense developmental opportunities
available in the form of ideas, technological innovations and financial aid, from the West. Alexander Gershenkron's thesis that, an underdeveloped country need not consider its late arrival on the modernist scene a handicap, since it can reap large potential benefits in terms of the importation of advanced technology from abroad, and thus, effectively make the necessary technological leap from comparatively primitive to a highly advanced mode of production, (IO), is generally reiterated in support of this argument. Thus, George Dalton challenges the Gunder Frank claim that, Third World underdevelopment is a function of the 'neo-colonial relations' between South and West, (II), with the following counter claim.

"The present writer (Dalton), an economist who has a certain interest in social anthropology, has a different point of view; that traditional attributes of culture and social organization - that which differentiates Hungarian from Russians, Yugoslavians from Albanians, Japanese from Spaniards, Germans from English - will count more than capitalist or socialist institutions in determining success or failure of Third World countries to industrialize and develop". (I2).

The identification of 'underdevelopment' with 'traditionalism' is found in the works of other Western theorists as well. According to Simon Kuznets,

"The populations in developing countries today are inheritors of civilizations quite distinct from and independent of European civilization. Yet it is European civilization which, over centuries of geographical, political and intellectual expansion, has provided the matrix of modern economic growth.

All developed countries at present, with the
exception of Japan, are either old member of European civilization, its offshoots overseas, or its territorial expansions toward the East". (I3).

In the general critique of this theoretical understanding of Third World underdevelopment, its inherent contradictions and ethnocentric biases have been particularly noted. One such contradiction is found in George Dalton's account. At the same time that the writer considers the presence of Western democratic institutions as necessary preconditions of the development of Third World countries, he also relates their underdevelopment to their aspirations toward Western socio-political and economic ethos. According to him, the levels of mercantile activity, agricultural production and political unification with which, most of the Third World countries have began their modernization, are far below those which prepared Western Europe and Japan to industrialize rapidly in the 19th century. Yet, these countries have aggravated their developmental problems by, "....combining their French Revolutions with their industrial revolutions and their nation-building age of mercantilism. The Asian countries in particular have very large populations, high birth rates, and no prospect of extensive migration. Expectations of widespread and quick material improvements are now higher. The welfare state came later in European industrialization, mostly after 1870, as indeed did political democracy". (I4).

It would appear that what Dalton and associates would prefer to find, in the socio-economic and political systems of the contemporary Third World countries, is the duplication of the 'inhumane' social conditions (the extreme exploitation and disenfranchisement of the mass proletariat and other lower classes, by a privileged, paternalistic elite)
which aided the growth of industrial-capitalism in the 19th century. The facts of the growing political consciousness and, the revolution of rising material and cultural aspirations among the peoples of the Third World today, which make them highly intolerant of situations and political administrations which negatively affect these, appear to receive very little or no analytic consideration, in the explanations of Dalton and associates.

On more substantive grounds, the critique of the bourgeois theory of Third World underdevelopment by Albert O. Hirschman, has noted its weakness in the face of scientific validation by reference to historical/empirical foundations. Development, according to Hirschman, has occurred somewhere without the benefit of the specified prerequisites generalized from the test cases of Western capitalist industrialization. To maintain otherwise, is to adopt an approach that amounts to a 'council of perfection' that,

"... permits us to focus on a characteristic of the process of economic development that is fundamental for both analysis and strategy; development depends not so much on finding optimal combinations for given resources and factors of production as on calling forth and enlisting for development purposes, resources and abilities that are hidden, scattered, or badly utilized". (I5).

In the same critical vein, D.E. Apter and S.S. Mushiri have noted that,

"Theories based on the Western experiences have tended to emphasize (a) economic decentralization; (b) decentralization of powers; (c) social pluralism; and (d) democratization, as the minimum prerequisites to development and modernization. In some cases, it is not even possible to tell whether these are prerequisites
or concomitants. Certainly, if they are examined in the light of Western historical development, they will obviously be seen as concomitants rather than prerequisites". (16).

There are no prerequisites of socio-economic development, which can be defined in absolutist terms or natural laws of universal application to all developing societies. There are, however, social conditions which, at a particular point in historical time and place, can either favour or retard the developmental efforts of a country. To argue otherwise, is to overgeneralize the 'development conditions' which attended the historical cases of the Northern industrial countries, but which do not exist in the current circumstances of the Third World countries, as determined by the world system of Capitalism. Such overgeneralization is characteristic of the East/West doctrines of 'modernism', and they ignore the facts that, no longer are there in the modern world, backward peoples and races to whom the developing Third World countries could take their Christian missions and civilized ways, in exchange for precious metals, cheap raw materials and slave labour, as happened in the process of Western industrial development. Similarly, there are no longer any foreign lands which can be colonized, politically dominated, culturally subjugated and economically exploited, to the benefit of Third World development. If anything is left of the intersubjective conditions of industrial development of the Northern countries, it is the disadvantageous and exploitative 'international division of labour' in which, the Third World countries serve (as they did back in the colonial days), the function of producers of cheap raw materials and cheap labour, and consumers of obsolete technology and increasingly expensive manufactured products of the North.
The East-socialist model of development that has been prescribed for the South over the years, has been singularly naive in the assumption that, the political leaders of the South can successfully implement development programmes, based on State-totalitarian control of resources and decision-making, State appropriation of individual initiatives, and the exploitative use of the labour of the mass population (particularly that of the peasantry), as was the case of the industrial development of the Soviet Union, under the present domestic circumstances and international conditions of the Southern countries. The assumption ignores not only such significant domestic factors as, the increasing 'civil rights' and 'materialist/consumerist' consciousness and, the inter-tribal and inter-ethnic animosities among the contemporary Third World populations, but also the structural constraints of the world system of Capitalism. At the domestic level, the revolution of rising material aspirations and increasing demand for equality in political participation among the peoples of the Third World, have made them increasingly intolerant of Governments and ideologies which, compel them to delay the gratification of their material 'wants', especially when they realize that the 'nationalist' demand for individual hard work and frugality, only benefit the interests of the parasitic minority elites, to their own detriment. Coupled with this, inter-tribal and inter-ethnic mistrusts which derive from traditional conflicts and the partisan nature of 'political-party systems' in the Third World imply that, even if one-party systems and mass-mobilization strategies could theoretically facilitate Third World development (by generating the necessary atmosphere of equality and national consciousness), they are, however, practically redundant given the reluctance of the mass populace to entrust its destiny to monolithic administrations, headed by elements drawn from particular tribes or ethnic groups, and with the past record of failure to satisfy the interests of the cross-sections of the society. These factors become more significant, when account is
taken of the fact that, it is the 'frustrated aspirations' and 'readiness to accept changes of government (however unconstitutional)', among the Third World populations which have both provided a favourable climate of public opinion and encouragement, for the numerous military interventions and coup d'états which have characterised the post-colonial political relations, in these countries.

At the international level, similar constraints against a 'socialist path' to development, are found in the antagonistic reactions of the West, particularly of the United States of America. The West, with its paranoia of 'iminent Communist threat' against the 'free world', tends to view any developmental strategy based on socialist reforms as implicating policies, inimical to established Western economic interests in the country instituting the reforms, as well as ideologically and even militarily sympathetic with the East-socialists. Whether the Western fear and view have empirical substance or not, is immaterial since, they have been manifest in numerous antagonistic foreign policies against such Southern countries as Cuba, Congo, Egypt in the 1960s, Chile in the early 1970s, Mozambique, Angola, Nicaragua, Guatemala, to name but a few, as well as found expression in the definition of the Western 'defence perimeter' in geographical terms which, make every nook and corner of the globe a potential area of 'spread of Communist imperialism'.

On the other hand, these observations about the East-socialist model of development, must not imply the argument that there has been no modification of the doctrine of 'socialist path to modernism'. Rather, my argument is that whatever modification has taken place, has not taken into consideration the factors mentioned above, and has been necessitated more by the ideological considerations of the advocates - that is, the need to make the model more attractive to the skeptical Third World clients, by reducing its inherent doctrinal demands. Broadly, three versions of
the 'socialist doctrine', corresponding with the respective Soviet, Chinese and Yugoslavian reformulations of the underlying Marxist thought on the subject, may be identified. In the revised Soviet model, there is a reconciliation of the ideas of 'non-antagonistic contradictions' and 'peaceful and de-classed revolutionary change' relative to the modernisation of the Third World countries, with the Soviet policy of 'co-existence with Western-capitalism'. This change in Soviet development thinking and attitude towards socialist revolutions in the Third World, first became manifest during the Indo-Chinese War (1959-64) in which, the Soviet Union not only estranged itself from its most populous and potentially most powerful ideological partner, by failing to give China the expected military and diplomatic support, but also adopted an accommodating and tolerant policy towards neo-capitalist India. [17].

Since then, the Russians have maintained the policy of respecting the national peculiarities and varied patterns of development, of their protegés Third World countries, albeit with occasional interventionist activities in areas of the South deemed close to the Soviet defence perimeter - for example, Afghanistan.

The Chinese model of 'revolutionary-socialist' change has stuck to an orthodox interpretation of Marxism (in which an uncompromising international proletariat struggle against Capitalism, is the doctrinaire policy), but with the recognition that, the absence of ideal industrial conditions in the Third World countries, makes it necessary for the latter to adopt a 'national-based' revolutionary-socialist strategy of development, involving the alliance of the proletariat and the peasantry and, accommodating the assistance of the bourgeois intelligentsia. From its own experience of revolutionary change organized at the level of the peasantry, China sees the revolutionary development of the Third World countries, as a process of 'national liberation' from Western imperialism. Though the Yugoslavs, operating from the perspective of Tito's brand of Marxism,
adopt a similar 'national liberation' posture, this is, however based upon an unorthodox interpretation of Marx in which, they argue that all countries have environmental and historical conditions peculiar to themselves, which prohibit the arbitrary imposition of any one socialist model of development that, for some reason, has proved successful elsewhere. More important, unlike the Russians and the Chinese, the Yugoslavs have never conceived the world to be divided into polemic Capitalist and Socialist blocs, and hence, have not subscribed to the revolutionary vision of 'proletariat internationalism'. (18).

This last point, about the Eastern-socialists' conceptions of the structured relations in the global political-economy, has significant theoretical and practical implications for the study of Third World underdevelopment, in the following senses. Firstly, to the extent that the Chinese and the Russians continue to view the world as divided between 'exploiting Western-imperialist countries' and 'emancipating practitioner countries of Marxism' (a conception that is no longer accepted by the Third World countries, in the light of the North-South Dichotomy), then it is the demands of 'their Marxist doctrine' which have necessitated the revisions in their development thinking, and not their appreciation of the domestic circumstances and international conditions of the Third World countries. Though the perception of 'qualitative differences' between the domestic conditions of the Third World countries (viz. the low degree of industrial activity and industrial relations, hence relative absence of revolutionary-articulate proletariat or peasant classes), and the objective conditions of a communist or socialist revolutionary change, laid down in Marxism — that is, the imperative of a 'proletariat-led destruction of Capitalism', is involved in the revised doctrines, this appears to be considered apart or without simultaneous recognition of the 'international constraints' mentioned earlier. Thus, secondly, the disjunction between the theoretical merits of the 'socialist path' and the
practical problems that such a strategy encounters in the real world, has reduced considerably, the attraction that the model had for the leaders of the South, during the early days of de-colonization. The 'East-socialist connection' has become even less attractive to the South, given the latter's increasing awareness that, even though South-West relations may be neo-colonial and exploitative, they still involve better benefits than those possible in a closer relationship with the East. More than this, an Eastern connection is likely to involve the risk of being blacklisted, with regard to the international transfers of much needed capital and technological inputs of development, from the West.

Against this background of the failure of the modernist theses (both East and West versions), to appreciate the factors which constrain Third World development under the modern world economy of Capitalism, the following conclusions may be drawn, with reference to their theoretical values and practical implications for the study and planning of development in the Third World. On the one hand, the theses are underlaid by ideological considerations which are explicable, at both the levels of Marx's epistemological theory of ideology, and the East-West ideological conflict and military competition for global hegemony. The examination of these ideological considerations may, however, be best appreciated within a discussion of Marx's own theory on the subject, which is carried out in Chapter Six. For the moment, I will concentrate on the practical implications flowing from the theses, for the planning of development in the Third World. These implications, as I have argued in the preceding pages, have been generally negative, in terms of the very limited advantages that the Southern countries can gain from the adoption of the 'socialist path to development' recommended by the East, and more important, with reference to the antagonistic reactions of the West to such a strategy.
Other negative consequences flowing from the dissemination and adoption of either of the two contestant modernist doctrines, may be summed up in the concepts of imitative consumerism and malindustrialization. Imitation (the desire to model one's way of life on the superficial standards of others who are held in higher esteem), is to a large extent, the inevitable consequence of years of 'colonial enculturation' of the peoples of the Third World. It has created for these countries, peoples and leaders whose consciousness and cultural aspirations are dominated by a 'psychic backwardness' or 'inferiority complex' relative to the 'white man' which, according to Franz Fanon, prevent their complete emancipation from 'white tutelage'. (19). In recent times, imitative behaviour of the peoples of the Third World, as reinforced by the revolution in rising material expectations, finds expression in the concentration of the 'libido' (psychic energy of the human organism), on extravagant and irrational consumerism - mainly of foreign consumer goods and factor inputs of production. The effects of this are clearly seen in, for example, the almost total 'commercialization of the modern Ghanaian economy' in which, Ghana now serves as the dumping ground for the most inferior consumer products and obsolete technology of the West. (See the Case Study of Ghana in Chapter Nine, which concludes this Thesis).

Where individual imitative behaviour results in the use of the hard-earned foreign exchange of the Third World countries, to import foreign consumer goods to satisfy the growing domestic demand, the same behaviour at the level of government results in malindustrialization and maldevelopment. On the one hand, small enclaves of 'modern industrial economy' are imposed upon vast and relatively neglected agrarian sectors. This, in turn, creates the 'urban-rural dichotomy' in which, a parasitic, consumerist urban population exploits or lives at the expense of the majority peasant population. Thus, one has only to travel a few miles
beyond the African capitals of Abidjan (Ivory Coast), Lome (Togo) Lagos (Nigeria), Accra (Ghana), to name but a few, to realize that the process of modernization undertaken by these countries since Independence in the 1960s, has amounted to nothing more than the electrification of one or two cities and, the existence of very inadequate transport and communication networks, while 90% of the country remain in rural poverty, shanty towns and general underdeveloped darkness. On the other hand, malindustrialization finds expression in the placing of a premium on the importation and use of foreign resources of production (capital, technology, expatriate personnel, and even raw materials), given the 'capital intensive' structure of production and the 'luxurious outputs' of the industries, which have been encouraged by the modernist doctrines to be established in these countries. This, in turn not only creates a privileged 'comprador class' whose services as agents of the investment and trading activities of Transnational Corporations, reinforce the conditions of Southern dependency and underdevelopment within the world economy of Capitalism, but also widens the inequality between the mass population and the elite whose, incomes tend to be increased by the presence of 'foreign enterprises in the country, in the form of higher salaries in the employment of the foreign firms, while their cultural habits are served by the industries so created.

This dimension of imitative behaviour in the Third World countries, that is 'derived modernism', has the further consequence of creating political leaders and intellectuals whose developmental thinking tends to be quite alien and false-conscious, relative to the circumstances and problems of their countries. With their predominantly foreign education and foreign beliefs and ways of life (generally Western oriented), the leaders and intellectuals play a vital role in reinforcing the intersubjective conditions of Third World dependency and underdevelopment, in ways best described in the following quotations.
The demonstration effect results in an intense frequency of exposure to novel goods which tends to diminish inhibition. Soon a demand is created. The massive bombardment of developing regions by an ever-growing literature on development constitutes a major problem owing to the absence of critical and selective assimilation. (20).

And such uncritical imitation has, at its source the direct influence that the political leaders and intellectuals exercise over the minds and aspiration of the peoples of the Third World. William Knapp observes:

"Theoretical reconstruction presupposes a combination of competence and lack of conventionality which are difficult to come by for students of economic from underdeveloped countries, who earn their PhDs at one of the graduate schools in a developed country. By the time he returns to his own country he has usually completely accepted the prevailing conventional wisdom which he proceeds to transmit to successive generation of students. Like most social processes the transmission of ideas and theories is subject to a kind of inertia or cumulative causation which tends to make the process of teaching and learning move in the same direction as the original impulse. The inevitable gap between theoretical structure and the world of experience may thus be widened until the stage is set for the intellectual discovery that traditional concepts and theories have lost their relevance. To some extent the current disenchantment with the rate of economic development in many countries is the result of inadequacy of theoretical frameworks to diagnose the nature of the problem and to prescribe appropriate course of action." (21).
NOTES TO CHAPTER FIVE


7. see the Works of G. Dalton, S. Kuznets and Talcott Parsons quoted in this chapter and in the Bibliography.


14. G. Dalton - op. cit., pp.210-212

17. The Indo-China border dispute and war constitute one of the causal factors of the present Sino-Soviet Conflict which, involves both ideological and national interest differences, separating the two giants of Communism. For further details, see:-


Although Marx's original analysis of Capitalism has the capacity to incorporate the explanation of the underdevelopment of the Third World countries today, via the General Law of Capitalist Accumulation \(\text{Colonialism}\) and the Modern Theory of Colonialism (I), it is, however, the neo-Marxist theories on political-economy which have established the link between 'capitalist exploitation and accumulation of profit' and Third World underdevelopment. Beginning with Lenin's Theory of Imperialism, the neo-Marxists have, over the years, reformulated Marx's thought, with reference to the interrelationship between 'Imperialism', the persistence of Capitalism, and the underdevelopment of the Third World countries.

For purposes of clarity, the various neo-Marxist theories may be identified as the Leninist Theories of Imperialism, the neo-Colonialist and Dependencia Theories of Underdevelopment, and the World System of Capitalism models. But it must be pointed out that the differences between these three main types tend to be of minor theoretical significance, from the perspective of Marx as their common point of departure, though the implications of their arguments for the understanding of Third World underdevelopment, can be very divergent. Further, they are interspersed by such approaches as Johan Galtung's 'Structural Violence of Imperialism', Hallgarten's 'Militaristic Imperialism' and, Dobb and Sweezy's conception of 'Fascist Monopoly Capitalism', to name but a few variants which do not fit perfectly into the pigeon-holes of the main types.

In this Thesis, the exposition of the neo-Marxist theories has the primary purpose of determining,

1) the extent to which these theories provide accurate reconstructions of the dynamics of the global political-economy and, reveal the real
The essence of the North-South Dichotomy;

ii) their analytic utility, compared with the East/West doctrines of modernism, on the basis of the question of 'ideology'.

iii) the extent to which their theoretical arguments and propositions complement Marx's Materialist Conception of History and conclusions about Capitalism, with particular reference to the 'class construct' of Marx.

I. THE LENINIST-THEORIES OF IMPERIALISM.

Briefly, Lenin's theory of Imperialism (which constituted a summation of the ideas of Hilferding, Hobson and Bukharin) sees 'imperialism' as the highest stage of capitalist exploitation and accumulation of profit. Though Lenin saw in the imperialist phenomenon, a phase of Capitalism's development in which, the system must use 'colonial dependencies' to facilitate its accumulation of profit, he did not, however, subscribe to the thesis of Rosa Luxemburg, that, 'Capitalism cannot survive without colonial exploitation'. (2). For Lenin (and for Rosa Luxemburg also), whereas the imperialist phase postpones the 'death-agony' of Capitalism (by enabling the metropolitan capitalist countries to feed off politically subjugated foreign lands), it is also a phase in which Capitalism intensifies its inherent contradictions and the seeds of its destruction. According to this argument, although Capitalism attempts to expand by every possible means (export of capital, economic penetration of foreign lands with all kinds of political support, forceful annexation and imperialist wars) and to survive by creating the most comprehensive socialization of production, and privileged sections among the proletariat (so as to take the thunder out of the imminent proletarian revolution), these will not, however, affect the system's inevitable decay in the long run, given the condition that imperialism steadily increases inter-capitalist wars, as enunciated in the First World War. (3).
In Lenin's definition of Imperialism as the 'monopolistic phase of capitalism', the following five features are identified.

i) The concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life.

ii) The merging of bank capital with industrial capital, and the creation, on the basis of this 'finance capital', of a financial oligarchy.

iii) The export of capital as distinguished from the export of commodities acquires exceptional importance.

iv) The formation of international monopolist capitalist associations which share the world among themselves.

v) The territorial division of the world among the biggest capitalist powers is completed. (4).

Most relevant to this Thesis, is the Leninist conception of Capitalist-imperialism, as creating 'unevenness amongst its constituent territorial units' with the effect that, there results the colonial and financial enslavement of a vast majority of the world's population by a small minority of the richest capitalist countries. In essence, a conception of the world as divided into two camps of oppressed and exploited nations on the one hand, and exploiting metropolitan capitalist countries on the other. Stalin who articulated this conception into a programme of 'international proletariat revolution against Capitalism', wrote in 1924 that:

"The world is divided into two camps: the camp of a handful of civilized nations, which possess finance capital and exploit the vast majority of the population of the globe; and the camp of the oppressed and exploited peoples in the colonies and dependent countries, which constitute the majority. The colonies
and the dependent countries, oppressed and exploited by finance capital, constitute a vast reserve and a very important source of strength for imperialism. The revolutionary struggle of the oppressed peoples in the dependent and colonial countries against imperialism is the only road that leads to their emancipation from oppression and exploitation. The most important colonial and dependent countries have already taken the path of the national liberation movement which cannot but lead to the crisis of world capitalism. The interests of the proletarian movement in the developed countries and the liberation movement in the colonies call for the union of these two forms of the revolutionary movement into a common front against the common enemy, against imperialism". (5).

Whereas the 'de-colonization' of the Asian and African countries, led to the development of new versions of the Leninist theory of Imperialism, these did not, however, depart from the Leninist position, in any significant sense. The major difference between their propositions and those of Lenin, has been their greater emphasis on the activities of the Multinational and Transnational Corporations of the metropole Federal capitalist countries; the latter, rather than the capitalist-State, are seen in the theories of Tom Kemp and Ernest Mandel, as the real exponents of Imperialism, for the following reasons.

i) The increasing dependency of 'state-power' on the economic decisions of the industrial and financial corporations; and

ii) The obsolescence of traditional forms of political domination (formal colonialism) of foreign lands by the nation-state.

According to Tom Kemp:

"The intimate relations established between the big private corporations, including those of a 'multina-
- tional ' character, and the State make it increasingly
difficult to tell where the sphere of private capital
ends. The State is drawn directly into the arena, not
merely to defend the general legal conditions for private
ownership and commodity production but also actively to
assist the process of accumulation". (6)

From the above statement, it obvious that the role and interests of the
Capitalist-State in Imperialism have not been totally ignored or minimized,
in the contemporary neo-Marxist-Leninist theories. Dobb and Sweezy, in
particular, employ a conception of imperialism in which, 'state monopoly
capitalism' is argued to represent a qualitatively new phase of develop-
ment of Capitalism, characterised by increasing state intervention in the
economic process. (7). According to Dobb,

"The common element in those various species is the
coeexistence of capitalist ownership and operation of
production with a system of generalized controls over
economic operation exercised by the state, which pursues
ends that are not identical with those of an individual
firm". (8).

Thus the interventionist capitalist-State ensures the stability of the
system and continuity of its global interests and domination, with measures
directed, in the first instance to stabilize the domestic market of the
metropolitan country, and in the second instance to create a substitute
for the now defunct or strenuously resisted 'colonial mode of exploitation
and accumulation of profit'. Both Dobb and Sweezy, as well as Hallgarten (9),
define such measures of stabilization of Capitalism to include, the pursuit
of militaristic policies in which the State becomes a producer of purchas-
ing power and, continually siphons off a considerable part of surplus
production in the form of unproductive armaments expenditure, as well as
grants contracts and expands the public sector economy.
Overall, the neo-Marxist-Leninist theories of Imperialism exposed so far, appear to share in common, the following views about the interrelationship of Capitalism, Imperialism and Third World underdevelopment.

i) Imperialism is the global dimension of Capitalism's process of exploitation and profit accumulation. It is also the stage of Capitalism's development at which, the system attempts to solve its inherent contradictions and crises of overproduction and falling rates of profit at home, through the annexation of foreign lands to serve as market outlets for overproduced goods, sources of cheap raw material and labour inputs of industrial production, and areas of acquisition of 'bullion' (in the early phase of Mercantile Imperialism) and capital investment (in the later phase of Monopoly-Capital Imperialism).

ii) Relative to the countries of Africa, Asia and Latin America, the process took the form of their colonial subjugation (by military conquest and other political means), and exploitation of their natural resources and labour to their detriment, but to the considerable benefit of the colonizing country.

iii) The 'de-colonization' of these former overseas territories of the industrial-capitalist countries, has meant only a change in tactics, not in strategy, of the capitalist-imperialist exploitation of the world. This is because, in place of the formal political and military influence of the capitalist-State over the territories of exploitation and profit accumulation, has come the economic power of the monopoly capitalists.

iv) The new Imperialism of monopoly-capital reinforces the dependency of the former colonies on the developed capitalist countries, since the monopoly-capitalists serve as the main source of transfers of capital and technology into the Third World. This dependency represents a global dimension of both the inherent contradictions of the capitalist mode of social formation (the uneveness of development of its constituent units and subsequent creation of inequality between minority privileged elements
and underprivileged majority elements, at both class and national levels),
and the seeds of its final destruction (the intensification of the conflict
between classes and between nations).

v) The economic inequality between the industrialized and non-industrialized
countries of the capitalist-imperialist system, and the conflict
this generates, are cited by the exponents of these ideas to attest to
the accuracy of Marx's theory of Capitalism. Mao ze Dong articulated
this position clearly in his Theory of Contradictions. (9).

"When the capitalism of the era of free competition
developed into imperialism, there was no change in
the class nature of the two classes in fundamental
contradiction, namely the proletariat and the bour-
geoisie, or in the capitalist essence of society.
However, the contradiction between these two classes
became intensified, the contradiction between monopoly
capitalism emerged, the contradiction between the colo-
nial powers and the colonies became intensified, the
contradiction among capitalist countries resulting
from their uneven development manifested itself with
particular sharpness, and thus there arose the special
stage of capitalism, the stage of imperialism. Leninism
is the Marxism of the era of imperialism and proletarian
revolution, precisely because Lenin and Stalin have
correctly formulated the theory and tactics of the prole-
tarian revolution for solving them". (10).
2. THE NEO-COLONIAL AND DEPENDENCIA THEORIES OF UNDERDEVELOPMENT.

The neo-Colonial and Dependencia theories of underdevelopment have been advanced, in general, by Third World politicians and intellectuals of Marxist-Leninist persuasion. These theories take as their point of departure, the Leninist conception of 'monopoly capitalism', and build upon this, theses exposing the capacity of the capitalist corporations with multinational interests, to carry on the exploitation of the Third World, without the aid of the political apparatuses of the capitalist-State.

The neo-Colonial form of exploitation and capital accumulation is indirect in that, it is by means of such relations as the unequal terms of trade between industrial and non-industrial countries, the artificial manipulation of the terms of world trade by the industrial countries and their national corporations, the reaping of maximum profits and other production advantages in the Third World, from small investment capital outlays by the multinational corporations, and the use of 'development aid' to co-opt the decision-making of Third World governments.

Kwame Nkrumah who was a leading exponent of the neo-Colonial theory argued that, the most significant feature and, most damaging aspect of the new form of Capitalism's exploitation of the Third World is that, it takes place without the 'political responsibility' of the exploiter, that was formerly present in the colonial system. In this sense, neo-colonialism allows absolutely no defence against the corrupt mismanagement of Third World countries, by their collaborationist regimes. In his own words;

"For those who practice it, it means power without responsibility, and for those who suffer from it, it means exploitation without redress. In the days of old-fashioned colonialism, the imperial power had at least to explain and justify at home the actions it was taking abroad. In the colony those who served the ruling imperial power could at least look to its protection against any violent move by
their opponents. With neo-colonialism neither is the case". (II).

Neo-Colonialism is further argued to involve the direct and intentional underdevelopment of the Third World countries in that, the business interests (indigenous and foreign) engaged in the exploitation, establish and maintain, socio-economic structures which cement their activities and control over the country in question. Paul Baran summed up this in the following statement.

"The contemporary form of imperialism.... is now directed not solely towards the rapid extraction of large sporadic gains from the objects of its domination, it is no longer content with merely assuring a more or less steady flow of those gains over a somewhat extended period. Propelled by well-organized, rationally conducted monopolistic enterprise, it seeks today to rationalize the flow of these receipts so as to be able to count on it in perpetuity". (I2).

Such organization and rationalization of the more perpetual neo-colonial exploitation and underdevelopment of the Third World, take the form of the creation or reinforcement of the conditions of these countries' dependency in which, 'comprador ruling-classes and governments' now perform the functions of the departed colonial government.

This last point brings into consideration, the Dependencia theories of Latin American and African writers like, Andre Gunder Frank, Cardoso, dos Santos, Pierre Jalee, Aghiri Emmanuel, Samir Amin, to name but a few. The idea common and central in the arguments of these theorists is that of the 'peripheralization of the Third World countries, within a world economy dominated by monopoly capitalism'. The economies and political institutions of the Third World are bound with the world system of
Capitalism, and with the collaboration of despotic indigenous governments and bourgeoisie, the Third World countries are exploited and impoverished, simultaneous with the capital accumulation from the foreign investments of the monopoly capitalists. Thus, rural sectors of the Third World are linked with the urban centres of the industrial countries, in a production-accumulation network and a global hierarchy of exploitation and dependency. This relationship between core and peripheral countries of the world economy of Capitalism, mediated by monopoly capitalism and comprador clients, has been described by Gunder Frank, in the particular case of Latin America, in the following terms.

"Neo-imperialism and monopoly capitalist development are drawing and driving the entire bourgeois class... into ever closer economic and political alliance with, and dependence on, the imperialist metropolis". (I3).

The asymmetrical relations of production and exchange which develop between the Third World countries and the industrial-capitalist countries, thus stand in the way of an 'autocentric development' that could have been achieved by the countries now exploited and made dependent by the world system of Capitalism. According to Dieter Senghass,

"...such autocentric development, bearing in itself its own capacity of reproduction, is something which cannot be attained by dependent socio-economic entities, whose integration in the capitalist world system on a division-of-labour basis has afflicted them with a dependent and deformed system of reproduction (monoculture, outward orientation of the dynamic sectors of the economy, marginalization, etc.)". (I4).
3. **THE WORLD SYSTEM OF CAPITALISM MODELS.**

The idea of a world system of Capitalism, embracing the economies of the Third World countries in an exploitative production-accumulation network, and on the basis of core-periphery relations detrimental to the development of the Third World but beneficial to the industrial-capitalist countries, has been analysed in greater detail by writers contributing to the paradigm of Immanuel Wallerstein. Their propositions have much in common with those of Gunder Frank and the other Dependencia and neo-Colonialist theorists. Relative to the underdevelopment of the Third World, the argument of the wallerstenian school is that, the economic backwardness of these countries is not the result of their 'starting late in development', or 'their lack of adaptive and absorptive capacity and achievement motivation, relative to the socio-cultural, political and technological demands of modernization'. Rather, these observable features and the general socio-economic circumstances of the Third World countries, result from the growth and expansion of global capitalism. Terence Hopkins provides the following descriptive account of the structural features of the world economy of Capitalism.

1). **One Overarching and expanding world economy**, composed of the various national and neo-colonial economies which are interrelated through international trade. "This one world-scale economy, which is progressively more global in scope, has a single or axial division and integration of labour process (division of labour), which is both organized and paralleled by a single set of accumulation process, between its always more advanced, historically enlarging, and geographically shifting core and a relatively less advanced, disproportionately enlarging, and geographically shifting periphery". (15).

2) Simultaneous with this development of the one expanding world economy is the growth of multiple state system with expansionary tendencies, in
and state formation and deformation), into a global political-economy, as the essence of the system's formation and its patterns of global expansion. Thus, secondly, the two processes result in a network of relations in which, the political formations of component units are patterned like the network of relations among the production-accumulation zones (core-periphery), and vice-versa. In other words, the movement towards the centralization of political relations coincides with the movement towards the centralization of economic relations. In this coincidence of the two centralization processes, strong states in relation both to their internal regions and to others, develop in core areas and come to possess core processes; weak states develop peripheral processes within peripheral areas. In essence, developed and underdeveloped, rich and poor, and strong and weak countries constituting the system, are functions of one another. This implies that peripheral status and roles do not mean just 'marginality', in the sense of dispensability of the peripheral units; without periphery no core, and without both no world system of Capitalism.

The Wallerstein paradigm further incorporates the view that, the twin processes of the system's globalization (development of core-periphery relations, and the centralization of the axials of economic and political networks), are reinforcement patterns which occur in the form of historical shifts in the areas of centralization. That is, 'hegemony' within the core area is not a permanent status; it alternates among the core-states in a manner akin to the circulation of elites in the domestic stratification systems of the States; and the circulation of hegemonial states is a function of the intense competition among them. The competitive relations have a tendency towards functional contradiction. That is, they take place simultaneous with the system's strain towards the reduction in the number of states constituting the core. Another factor influencing the competitive circulation of hegemony within the core, is the increasing influence of class organized politics on the foreign policies of their
national governments, i.e., pressure-group activities push the nations-states into competition for hegemony, to facilitate the pursuit or defence of economic interests. At the same time, there is always increasing the inter-capitalist competitive search for larger and larger pools of low-cost labour, or wider economically dominated and exploited peripheral regions.

These contradictory processes of the world system of Capitalism grow with the system's maturity, but they are conducive, rather than counter-productive, to its persistence. They amount to a double level of instrumental capitalist competition - among core-states for political hegemony, and among their economic corporations for advantages in the global network of production and accumulation. The states align and re-align themselves for political and military defence or advancement of their national interests; the economic corporations compete and develop monopolistically for advantages in production and accumulation. Where the economic process leads to peripheralization, the political process leads to imperialism. The extent and progress of the two processes, for any one particular state and its business interests, depend upon the opposition encountered from rivals, or provoked in the areas of exploitation and peripheralization. Thus the historical record shows the shifts in the axial networks of the world system of Capitalism, to have started with the hegemony of the United Provinces (Netherlands) in the 17th century, succeeded by that of the United Kingdom in the 19th century, and shifted to the hegemony of the United States of America after the First World War. The current tripartite economic competition between the U.S.A., Japan and the European Economic Community, and the military competition between the U.S.A. and the Soviet Union, both represent another phase of the hegemonic conflicts endemic in the world system of Capitalism.
Finally, the Wallerstein paradigm notes that, the competitive relations of the Capitalist system are not peculiar to only core elements; they characterise the interactions of the exploited and peripheral countries as well. And the latter form of competition results from 'emancipatory tendencies', akin to the competition among the working classes of capitalist society for 'upward mobility'. Examples of such emancipatory tendencies within the periphery, include OPEC cartelization of oil production and the feverish attempts at industrialization by countries like Mexico, Brazil, Hong Kong, Singapore and others. What the Wallerstein thesis fails to analyse, however, are the following significant aspects of the intra-peripheral competition.

1. Its conflict with, and neutralization of, any possible concerted Third World attempt at 'de-linkage' from the world system of Capitalism.

ii. The historical record of failures of unilaterally organized emancipation or delinkage among the peripheral countries. On this particular point, the reintegration of countries like the Soviet Union and China into the world system of Capitalism, and the neutralization of the threat which OPEC cartelization of oil posed for the industrial capitalist countries in the 1970s, point to the futility of such unilateral strategies. These points are amplified in the next paragraph dealing with the critique of the theories exposed so far.

4. CRITIQUE OF THE NEO–MARXIST THEORIES OF UNDERDEVELOPMENT.

In the critical evaluation of the various neo-Marxist analyses of the relationship between Capitalism and the underdevelopment of the Third World countries, the following points may be noted.


What is commonly characteristic of the propositions and arguments contained in the various theories, is the exclusion of the East-socialist countries from active participation in the modern world economy of Capitalism, and
the concomitant exoneration of these countries from any responsibility, relative to the underdevelopment of the Third World. The exclusion and exoneration of the Eastern socialists may be understandable, if seen from the ideological commitment of the politicians and ideologues of Marxism to promote the revolutionary overthrow of Capitalism. These elements may, and have justified their position on historical grounds (absence of colonial ties between the East and the Third World, though not in the case of East Germany), and from the ideological consideration that they have the responsibility of articulation of the proletarian revolution against Capitalism. But such a position and justification must be denied the academic collaborators of Marx's thought, on scientific grounds. (see point 'c' in this critique).

Strictly in terms of the era of 'colonial imperialism', there can be no complicity of the East-socialists (excluding the East Germans) in the international-capitalist exploitation and underdevelopment of the Third World. But what about the post-colonial era in which, the Easterners have been reintegrated into the world economy as core or semi-core actors, and as the neo-Marxists admit, the exploitation of the Third World still goes on? Under these circumstances, what is missing in all the neo-Marxist theories, is the exposition of the roles that the East-socialist countries (whose economies have become more state-capitalist than socialist in recent years), play to reinforce the intersubjective conditions of Third World dependency and underdevelopment. The complicity of the Easterners, (as I will argue later in Chapters Seven and Eight) can be found in the consequences flowing from their trade, investment and financial relations with both the West and the South, the ideological and military competition and conflict with the West, and their interference (particularly that of the Soviet Union) in the internal affairs of the Third World countries.
b) The Lack of Intersubjectivity in the neo-Marxian Analyses.

The demand for intersubjective analysis of social phenomena, which is a cardinal principle of Marxian epistemology, is found to be only partially satisfied in these theories. The Leninist theories of Imperialism are the most deficient in this context. Their propositions are essentially 'system-based' in that, they relate to mainly the historical processes of Capitalism's global expansion (imperialism, colonialism and neo-colonialism), and the structural imperatives of this expansion (competition among both capitalists and their victims, and the system's recurrent crises of overproduction and underconsumption and falling rates of profits). But the necessary 'action perspective' is missing, to the extent that there is no analysis of the collaborationist roles played by the comprador governments and elites of the Third World, to reinforce the intersubjective conditions of underdevelopment of their countries. Though the neo-Colonial/Dependencia theories and Wallerstein's world system of Capitalism model do take account of this dimension of Third World underdevelopment, these theories are, however, indictable with the Leninist theories, for misinterpretation and misrepresentation of Marx's Materialist Conception of History, as it applies to the dynamics of the Capitalist system.

The axiomatic belief underlying all the neo-Marxist theories is that, the intensification of the inherent contradictions, economic crises and inter-class/inter-state conflicts of Capitalism at the imperialist stage, provides ample proof of the validity of Marx's theory. This vindication of Marx is argued to apply to not only his prediction about the inevitability of the system's decay, but also to the logical consistency of the theory with modern Capitalism. But it is a vindication that is based on a 'fatalistic' interpretation and application of the Marxian historical laws of social dynamics and change in that, it makes these laws transhistorical and mechanically operative, irrespective of any change in the concrete social conditions of their formulation. That Marx's epistemology
must exclude fatalism in this sense, on the basis of the principles of dialectics, is a view that is supported in Ernest Mandell's observation that:

"More precisely: any attempt to transform Marxism into automatic fatalism or vulgar evolutionism eliminates a fundamental dimension of it. While it is true of course that humanity's choices are predetermined by material and social constraints from which it cannot escape, it can forge its own destiny within the framework of these constraints. If humanity is the product of given material conditions, these material conditions are in turn the products of human social practice". (18).

The Materialist Conception of History is, undoubtedly, a deterministic theory of the interrelationship human consciousness, practical activity and the process of social change - i.e., the existential determination of knowledge and, the role that consciousness so determined, plays in the propellence or retardation of social change. But this determinism of the theory is not mechanical; just as it is not idealistic. It is essentially dialectical; that is, its laws are derived from dialectics which, in turn, is nothing more than the logic of motion. Motion is not simply and only a function of contradictions; it is also a function of totality - the totality of the material relations of production and the consciousness determined by these relations. Now, in as much as the logic of motion leads us to expect the 'negation of any phenomena whose constituent elements are in contradictory relations', the contradictions themselves are also affected (in their resolution, or in their persistence and continuous influence towards change), by the totality within which they exist. In the case of society, this implies the interaction of 'system and action'; and in the particular case of Capitalist relations of production, it implies what the custodians of the system can, and will
de, relative to the system's adaptation to the crises and conflicts of its creation.

The point I am making in this argument is that, Marx could not have meant the inherent contradictions of Capitalism to negate the system by themselves. The Marxian prediction in this context is a scientific proposition, predicated upon the satisfaction of other pre-conditions, namely the pre-condition of the capacity of the proletariat (and other victims of capitalist exploitation) to achieve consciousness of its (their) objective conditions and, articulate this into revolutionary action. In this respect, the neo-Marxists have interpreted and applied the propositions of Marx's theory to modern Capitalism, without taking into account factors or developments which have prevented the materialization of the pre-conditions of Capitalism's negation. At the domestic level the 'bourgeoisification' of the proletariat (the omnibus tendency of Trade Union organization, intra-working class competition for advantages in the wage-labour market, consumerism and materialism) and at the global level the 'dependency' of the Third World countries and, competition amongst them for upward mobility to the ranks of core actors in the world system of Capitalism, have all helped to neutralize their revolutionary potential to overthrow Capitalism. And it is not only in the absence of these pre-conditions that we must look for survival of Capitalism. In fact, the most important point about the Marxian dialectics relating to the inherent contradictions of Capitalist society, that appears to escape the attention of interpreters of Marx, is the positive functions that the contradictions can fulfil for the Capitalist system. The contradictions are not only potential forces of negation of the system; they are also the 'impetus' for the system and its vested interests, to maintain a relentless search for means of adaptation and survival. The very history of development of Capitalism is replete with evidence of its adaptive processes - from mercantile capitalism to industrial capitalism, financial capitalism,
imperial capitalism, colonial, neo-colonial and transnational capitalism, and currently military capitalism, are all permutations of such adaptation. Whereas capitalism may represent a re-actionary social system, relative to the history and potentiality of progress of the majority of mankind, it is, however, a dynamic system with revolutionary tendencies, relative to the continuous satisfaction of the needs of its minority vested interests. The theoretical appreciation of these dimensions of Capitalism, is the difference between a static interpretation and application of Marx's theory, and the dynamism possessed by the theory in its originality. I will turn to this in due course.

e) The Ideological Content of the Neo-Marxist Theories.

In Chapter Five, I argued that the 'modernist doctrines' of Eastern and Western writers are advanced with ideological and ethnocentric beliefs and considerations, and that these have not only affected the accurate reconstruction of the reality of Third World underdevelopment, but have also had negative consequences for developmental planning in these countries. The same indictment can be made against the various neo-Marxist theories which have been examined here. The ideological content of these theories cannot be doubted because, it is both implicit in their reformulations of Marx's theory and the political uses it has been put in numerous countries, and explicit in such statements as the one by Tom Kemp.

"The neo-Marxist theory of Imperialism is intended to be more than simply a tool for understanding the course of world development as it proceeds, directly or indirectly, from the era of classic imperialism; it is intended to raise the political consciousness of the working class and bring about the revolutionary transformation of the world".

This is contained in Kemp's work -"The Marxist Theory of Imperialism"; London, 1967, p.33.
Now, from the perspective of the principles of dialectics and materialism, Marx's epistemology does recommend that, for any social theory to be analytically adequate and socially useful, its propositions must be formulated so as to inform the human praxis towards change. But this recommendation does not provide a licence for the circumscription or reification of elements of the object of analysis and change, to facilitate normative or ideological considerations. Marx was explicit on this point, in his argument that the adequate analysis of social phenomena must involve the concrete analysis of concrete conditions.

".....abstract determinations lead towards a reproduction of the concrete by way of thought, but where the concrete in thought is a product of the working up of observation and conception into concepts". (19).

It was from this epistemological position that he criticised the Hegelian Dialectics, in the following terms.

"My dialectical method is, in its foundations, not only different from the Hegelian, but exactly opposite to it. For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of 'the Idea', is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought". (20).

Relative to the capitalist mode of social formation, if the material world representing the 'concrete conditions' of thought is in essence; the capitalist relations of production and forces of production in their totality, then any abstraction that leaves out interconnected parts of this totality (for instance, the abstraction of the world system of capitalism in terms of West-South relations to the exclusion of the East), is a misrepresentation of that 'reality', akin to the idea of 'distorted
knowledge' in the Marxian conception of ideology. Besides, even in the wider conception of ideology contained in the Marxian critique of classical political economy (ideology as a misperception of reality or the real essence of phenomena, as a result of the particular social position of the observer within the social relations of production), the neo-Marxists can be indicted for applying the Marxian concepts in doctrinaire fashion.

If the classical-political economists (Smith, Ricardo, Say, Bentham and others) were, by their mode of analysis, ideologically constrained to obscure the real essence of society (and particularly of the capitalist mode of social formation), by translating observed social relations into relations between things or, as products of abstract natural laws, a similar error in judgement can be attributed to the neo-Marxists, for allowing their normative and ideological considerations to lead to both a fatalistic application of Marx's thought and, a circumscribed reconstruction of the modern world economy of Capitalism.

At this point, I must point out that my concern with the question of ideological impregnation of the various theories, bearing on the subject of Third World underdevelopment, transcends the basic problems of distorted knowledge and misrepresented reality. More important, I am also concerned with the negative consequences which have resulted from such ideological impregnation of the theories, for the planning and prospects of development in the Third World. One such consequence has been the constraining of understanding and explanation of Third World underdevelopment, within the straight-jacket of the East-West 'power-politics' in world affairs. The general effect of this has been that, it presents the Third World countries with a 'dilemma of choice' in which, alternatives (East/West models of development) are equally constraining and disadvantageous to them, in the senses argued earlier in Chapter Five.

Secondly, and with reference to the neo-Marxist politicians and intellectuals of the Third World, these ideologically impregnated theories have
been propagated and articulated in 'national administrations' whose failure to satisfy the needs and aspirations of the underprivileged and exploited mass populations of the Third World, has led to the devaluation of, and mistrust about, such concepts as 'capitalist imperialism', 'neo-colonial exploitation' and 'international ruling-class domination of the world' in the eyes of the peoples of these countries, and thus their public invalidation as a means of mobilization of the masses towards revolutionary development. The effect is that, even where genuinely revolutionary and dedicated to the task of 'socialist reconstruction' of the society, most Third World governments and leaders find themselves adrift, in a sea of mass apathetic and mistrustful response to their calls for 'national consciousness' in the developmental effort. Thirdly, the propagation and articulation of these theories in the socio-economic and political policies of most Third World governments, have tended to be in the most extreme and irrational left-wing or right-wing doctrinaire approaches to development. Consider the case of Pol Pot's interpretation of Marxism, in the Khmer Rouge's genocidal devastation and total destruction of the social structures of Cambodia towards the end of the 1970s, or the case of Mobutu's dictatorship, administrative incompetence and looting of the wealth of Zaire for personal enrichment at the detriment of the peoples of the country, and you have the implications of these theories for Third World underdevelopment, in a nutshell.
5. THIRD WORLD UNDERDEVELOPMENT IN MARX'S OWN THEORY OF CAPITALISM.

The general conclusion that is drawn from the foregone critique of the neo-Marxist theories is that, they share with the Modernist doctrines, the common error of creating theoretical lacunae in the understanding of the underdevelopment of the Third World countries, in terms of the disjunction between their theoretical reconstructions and the true reality of the modern world economy of Capitalism. But there is a qualitative difference between the neo-Marxist theories and the Modernist doctrines, relative to the degree of approximation between their respective analytic frameworks and the dynamics of the object of analysis. What is recommendable about the neo-Marxist theories (but is relatively missing in the Modernist doctrines), is the application of historical and structural perspectives to the relationship between the globalization of capital and the underdevelopment of the Third World. In so doing, they not only return 'political economy' to its proper theoretical domain - Marx's theory of material relations, social-class conflict and social change - but also allow for the conceptualization of Third World underdevelopment vis-a-vis the development of the industrial countries, as two 'processes' with mutually and functionally interdependent relationship. This is clearly opposed to their static conception as merely 'co-existent' phenomena, each resulting from different sets of factors or conditions, as implicit in the Modernist doctrines.

On this last point, there is a criticism by Wolfgang Mommsen against the neo-Colonial and Dependencia theorists in particular, for basing the concept of 'Capitalism's underdevelopment of the Third World' on:

"an idealization of pre-imperialist conditions which cannot be taken seriously, and above all because they do not in the end get any further than a general arraignment of Capitalism". (21).
What is implied in this critique is the argument (often favoured by the Western-bourgeois thinkers (22) that, to the extent that the Third World countries were generally economically backward, prior to their contact with European imperialism and colonialism, then their potentiality for development cannot be taken for granted, and indeed, may be said to have been enhanced by the contact with the 'civilization' of the industrial countries. But this argument flies in the face of the historical fact, that colonial exploitation considerably facilitated the industrial development of Western Europe while, it left nothing for its victims in Africa, Asia and Latin America to build upon, and the empirical fact that such exploitation still continues in the international division of labour between the industrial countries and the Third World. (see Chapter Eight for further details).

The argument also ignores the 'relativity' of the concepts of development and underdevelopment, to time and place. That there was a time when the now industrially-developed countries were as economically backward as the majority of the Third World countries today, is an indisputable fact, easily verified in the pre-industrial backgrounds of the developed countries. Likewise, the arc of economic prosperity and cultural progress once centred in the civilizations of the Nile river valley, the Incas of Peru, the Indus and Ganges river valleys, Manchu China, the African Kingdoms of Mali, Songhai and Ghana, to name but a few. The fading away of these ancient centres of mankind's progress, like that of the Graeco-Roman Empire, and their replacement by the new forms and centres of human material/cultural advancement, all indicate that if civilization is not a preserve of any one particular group, race or geographical space, then both development and underdevelopment are not, in their turns, natural phenomena but the products of history. The question of the potentiality of Third World countries to develop (in the absence of their contact with European civilization), is a hypothetical one, and its validation does not negate the facts that, the colonial and neo-colonial relations imposed on the South by the North have created for the former, intersubjective conditions which detrimentally affect their prospects of development.
Where the neo-Marxists can really be faulted are, as I have already argued, in the areas of their determination of the scope of the world system of Capitalism (the exclusion of the East-socialist countries), and their fatalistic interpretation of the Marxian concepts and application of the laws of Historical Materialism, to the present day dynamics of Capitalism. And the major reason for this is that, in most cases the neo-Marxists have subsumed, rather than actually analysed, the nature of 'class relations' today, and the role that these relations play in Capitalist society, at both domestic and global levels. Reference to, and analysis of the ways and manner in which 'class interests' manifest themselves at the global level, can be found in some theses, for example Harry Magdoff's argument that:

"The nationalism of capitalist societies is the alter ego of the system's internationalism. Successful capitalist classes need the power of nation states not only to develop inner markets and to build adequate infrastructures but also, and equally important, to secure and protect opportunities for foreign commerce and investment in a world of rival nation states". (23)

Yet such reference to both the use of the apparatuses of the State for class interests and, the capacity of the capitalist ruling-classes to pursue their global interests, without the need of such apparatuses and, sometimes in conflict with the interests of their national governments, has not been given the attention it deserves, in the Wallerstenian model which provides a more indepth analysis of the structural relations and competitive networks of the modern world economy of Capitalism. Indeed, some contributors to the Wallerstein paradigm, namely Fred Block, actually doubt the empirical feasibility of any class analysis of the world system of Capitalism, that places the articulation of ruling-class interests at the centre of the scenario of exploitation and profit accumulation, (see Chapter Eight for details).
In the absence of the concrete analysis of the nature and role that class relations play in the modern world economy of Capitalism, the analytic value of the neo-Marxist theories which are so negligent, is reduced in the following senses. Firstly, the identification they establish between the underdevelopment of the Third World and the processes of capitalists' exploitation and profit accumulation, tends to be more historically oriented (capitalist imperialism and colonialism), and attentive to mainly the objective conditions (the structured relations of the global political economy), while neglecting the subjective conditions, of Third World underdevelopment. I have already indicated that, the conscious and unconscious roles that the peoples and leaders of the Third World play — viz. their enculturation by foreign ways of life, wisdom and material aspirations, their intolerance of ideologies that threaten the immediate gratification of these, and the administrative incompetences, political corruption and economic exploitation at the hands of their elites and leaders — are the subjective factors that must be accounted for, in any realistic explanation of the underdevelopment of the Third World countries.

Secondly, the link between Capitalism, its dominant influence in the political economy of world society (including the embrace of Eastern socialism) and the underdevelopment of the Third World, must be established at the level of class relations, otherwise the theoretical reconstruction reverts back to the old Leninist theory of Imperialism in which, the role of sovereign actors is supreme. Class relations define the dynamics and the scope of the system of 'core exploitation of the periphery', in the sense that, it is the vested interests and the specific maximization activities (the accumulation of economic and political privileges) of the various national elites, which determine the patterns of relations at both the domestic and global levels of the modern world system of Capitalism.

It is against this background of the weaknesses of the neo-Marxist theories, that I return the analysis of the underdevelopment of the Third World
vis-a-vis the development of the Northern industrial countries, to Marx's own study of Capitalism.

a) Marx and the Logic of Capitalism's Development.

As I stated earlier, the main purpose of articulating the propositions of this Thesis at the level of Marx's own study of the Capitalist mode of social formation, is to establish that, the concrete social conditions which informed the original Marxian analysis and conclusions, have been continuously reproduced (since Marx's time), albeit in more complex and globally extensive forms, and to that extent, his concepts and conclusions then, are still applicable to the study of modern Capitalism. In this purpose, I am operating under the assumption and the conviction that, if Marx was alive today to witness the more complex and sophisticated nature of capitalists' exploitation and profit accumulation, he would have modified his arguments about 'class relations' to take account of the new developments, but the modification would not have invalidated the logical implications of these relations, for the development and global expansion of the capitalist mode of production, that the Marxian conclusions entailed. Marx was in error, mainly in his assumption that, the proletariat constitutes the last of the exploited and oppressed classes of economic society, and thus the historically revolutionary class.

"The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of old ones. Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great camps, into two great classes directly facing each other: Bourgeois and Proletariat".

"The weapons with which the bourgeoisie felled feudalism to
the ground are now turned against the bourgeoisie itself. But not only has the bourgeoisie forged the weapons that bring death to itself; it has also called into existence the men who are to wield those weapons - the modern working class - the proletariat". (24).

These Marxian assumptions about the manifestation of class relations in capitalist society and, the historical role of the proletariat were, of course based on his own perception of the objective material conditions of the various social classes, at his time of writing. Thus the 'landed interests' of the peasantry were conceived as indicative of the reactionary tendencies of this class, while the perceived 'pauperization' of workers in the factories and mines, was viewed as the factor that would activate the revolutionary consciousness and action of this class. That the proletariat has failed to fulfil its historical mission, and the peasantry has (in the historical cases of the Chinese and Russian revolutions) confounded the Marxian contempt for its social role, are developments which must be viewed with reference to other developments which have disturbed the concrete conditions of the Marxian analysis and, which the empirically specific data of the Marxian study could not have allowed accurate anticipation - the new complex and sophisticated forms of capitalist exploitation and profit accumulation, which are examined here in due course.

Now, my contention that these new developments in class relations under Capitalism, and in the capitalist mode of exploitation and profit accumulation, have not invalidated the Marxian conclusions, rests on the following. First, that the logic of the capitalist mode of production, which Marx analysed correctly (and which is still characteristic of the modern capitalist system), is the dependency of the system and its minority privileged group on the exploitation and appropriation of the 'surplus labour' of the majority population of the society in question. Secondly, that Marx's theory accounted for the tendency for the inherent contradictions
of the capitalist mode of social formation, to propel the system towards global expansion, that is characterised by inter-capitalist competitive exploitation of foreign lands and peoples, as a condition of its survival. And here, I must add that, the competitive exploitation and maximization of profits, at the expense and, to the detriment of vast populations, are not necessarily aimed at one particular social group or country, as the target. The existence of a group, class or country as an exploited entity in the world system of Capitalism, is but a contingent fact of the general phenomenon that, Capitalism by its very nature, is an exploitative system of production and distribution of material and cultural life.

I make this point, in direct response to arguments which contend that, the relatively low level of industrialization, and hence, absence of an articulate proletarian class in the Third World countries, make the application of 'class analysis' to these countries, inappropriate. Thus, in a recent work entitled - "A Third World Proletariat?" - Peter Lloyd (the author) poses the question - "Is there, in the cities of the Third World, a proletariat?" Whilst his treatment of the question essentially takes the form of rejection of the application of 'class analysis' to these countries, his points of criticism tend to be more concerned with 'class analysts' than with the so-called 'inviability of the perspective to the social conditions of the Third World. His repetitive argument that, 'class analysis' is a praxis, an ideology in which, the discovery of classes in the Third World is a self-fulfilling prophesy, based on the assumption of certain modes of behaviour of categorised persons and groups, and necessitated by the 'class analysts' need for a concept that could inspire revolutionary action among the socially underprivileged, has the following implications for Marxian sociology. For Lloyd, all neo-Marxists continue to see classes (even under the alien and predominantly agrarian social conditions of the Third World) in today's world, in fulfilment of the Marxian prophesy of 'proletarian overthrow of Capitalism'. In my opinion, this is a view that fails to make a clear distinction between Marx's "sociology of Capitalism", and Marx's "politics of Capitalism." The former is basically analytic; the latter is
prescriptive. To appreciate this distinction, it is necessary to examine the working out of the concepts - 'class exploitation' and 'class conflict' - in Marx's study of the Capitalist mode of social formation.

Overall, the foci of the Marxian analysis in which, the historical case of 19th century English Capitalism provided the empirically specific data, were:-

i) The historical stage that 'capitalism', as a particular form of social organization and, a definite mode of production of material relations, represented in the successive transformations of society, from the natural economy and communistic relations of primitive man, into the market-exchange economy and asymmetrical-class relations of modern man.

ii) In the 'capitalist stage', the extent and complexity of productive forces, with reference to the increasing ratio of 'capital inputs' to the decreasing ratio of 'labour inputs' in production, as a result of the competitive pressures of the system (viz. the need for lower and lower costs of production to maintain profitability and viability of enterprises) which, in turn, results from:-

a) inter-capitalist competition for cheaper labour and other factors of production;

b) increasing demands of 'labour' for better conditions of employment.

iii) The general effects of such competitive capitalist exploitation and profit accumulation, with reference to class segregation, class conflict and social change.

From these focal points, the Marxian analysis arrived at three interrelated conclusions about Capitalism.

i. The economic theory of 'surplus value' and original (or primitive) accumulation.

ii. The political-economy of Capitalism's global expansion and the role of the capitalist-State in the process.

iii. The political theory of Capitalism's eventual decay, via the proletariat revolution and the Communist succession.
The Economic Theory of Surplus Value and Primitive Accumulation.

Marx’s analysis of the processes of capitalistic accumulation and maximization of profit (via the concepts of surplus value and primitive accumulation), had the specific purpose of showing how the capitalist mode of production intensifies ‘class stratification’, with negative consequences for the proletariat vis-à-vis the increasing privileges and material well-being of the bourgeoisie. The process, according to Marx, involves the transformation of the direct producer of material life (the proletariat) into an exchangeable market commodity (labour power), in the capitalist established ‘wage-labour market’, the extraction from the labourer of more labour time than is necessary for the labourer’s own subsistence (surplus value), the appropriation of this surplus value by the non-direct producer but owner of the means of production (bourgeoisie) as reward for entrepreneurial risk (profit), and hence, the separation of the direct producer from the product of his labour-power (capital). (26).

"The aim of capitalist production is to extract the greatest possible amount of surplus value, and consequently to exploit labour-power to the greatest possible extent". (27).

Capital, so generated and appropriated, has implications for the socio-economic relations among men, in the following senses. It divides the social unit of production into, on the one hand a subordinate class of exploited and underprivileged labourers (proletariat), and on the other hand, a dominating class of employers/exploiters of labour (bourgeoisie). Intermediate groups of petite bourgeoisie (self-employed artisans, farmers and lower ranks of white-collar workers) and lumpen-proletariat (landless peasants, unemployed workers, etc.) exist in this capitalist created stratification system, but these eventually get assimilated into the ranks of the two main classes. With the increasing ‘class consciousness of the proletariat’ and the differentiation of the ‘class conflict’ that this stratification engenders, at the same time, ‘capital’ assumes a hostile,
antagonistic and alienating relationship with the proletariat, in the process of its accumulation and externalization—i.e., the self-expansion of capital.

"A division between the product of labour and labour itself, between the objective conditions of labour and subjective labour-power, was therefore the real foundation and starting point of the process of capitalist production...... On the other hand, the production process incessantly converts material wealth into capital, into the capitalist's means of enjoyment and his means of valorization....the worker always leaves the process in the same state as he entered it—a personal source of wealth, but deprived of any means of making that wealth a reality for himself. Since, before he enters the process, his own labour has already been alienated (entremdent) from him, appropriated by the capitalist, and incorporated with capital, it now, in the course of the process, constantly objectifies itself so that it becomes a product alien to him". (28).

According to Marx, the 'self-expansion of capital' occurs, as an indispensable condition of Capitalism's further growth, because:

1. competition among capitalists for production-accumulation advantages, and the increasing demand of labour for better conditions of employment (both costs increasing currently), exert pressure for the substitution of more intensive capital-input for labour;

2. the need to service and/or replace original capital outlays; and

3. the search for larger and lower pools of cheap labour and high profitability markets.

The self-expansion of capital implies 'capital accumulation' in two main senses. In one sense, primitive accumulation or the original creation
of the conditions for the capitalistic development of capital.

"Historically speaking, capital invariably first confronts landed property in the form of money; in the form of monetary wealth, merchants' capital and usurers' capital". (29)

"The historical vocation of capital is fulfilled as soon as, on the one hand, demand has developed to the point where there is a general need for surplus labour beyond what is necessary, and surplus labour itself arises from individual needs, and on the other, general industriousness has developed (under the strict discipline of capital) and has been passed on to succeeding generations until it has become the property of the new generation". (30).

In the other sense, the externalization of capital or the continuous creation of the conditions for the capitalistic development of capital, in all branches of production and, in every part of the globe, outside the initial geographic zone of development of capitalism.

"While on the one hand capital must thus seek to pull down every local barrier to commerce, i.e., to exchange in order to capture the whole world as its market, on the other hand it strives to destroy space by means of time, i.e., to restrict to a minimum the time required for movement from one place to another. The more developed capital is, and thus the more extensive the market through which it circulates and which constitutes the spatial route of its circulation, the more it will aspire to greater extension of time for its market, and thus to greater destruction of space and time......we see here the universal tendency of capital which distinguishes it from all earlier stages of production". (31).

Though this is a simplified version of the Marxian theory of surplus value and primitive accumulation, it is a simplification that is
justified on grounds that, it is the extent to which its propositions can be said to come to terms, with the modern forms of capitalistic exploitation and profit accumulation on a world-wide scale and, the consequences of these for the greatest majority of mankind, which are of analytic interest here, and not the logic and complexity of its arguments. To establish the validity of the theory in this sense, it is necessary to recall the Marxian 'political-economy' which develops out of the theory of surplus value and primitive accumulation.

Marx's Political-Economy of Capitalism's Growth and Global Expansion.

Marx's 'political-economy' has two main theoretical foci.

i. The critique of the classical political-economists (Smith, Ricardo, Say and others), for their erroneous or ideological conceptualization of the Capitalist system; and,

ii. The analysis of the role that the 'capitalist State' plays, in both the class exploitation/class struggle in capitalist society, and the global expansion of Capitalism. This theory of the State also provides explication of the necessary conditions that Capitalism requires, and itself reproduces, for both its survival and global expansion.

The Marxian 'Critique of Classical Political Economy' must be considered as serving a dual purpose.

"It is then both a critique of classical political economy, for obscuring social relations by transfiguring them into relations between things, and it is a method for analysing the way in which social relations have so constructed in capitalist society". (32).

The epistemological implications of the method of political-economy, are indistinct from those of the principles of Dialectics and Materialism, which have received considerable commentary in the previous chapters of this Thesis. What is important to note here is that, the
Marxian critique was on the same grounds as those employed in the critique of the 'modernist doctrines' and some of the neo-Marxist analyses of Third World underdevelopment. Marx indicted the classical political economists, for using abstractions that did not reflect the reality or the true essence of their object of study and explanation. On theoretical grounds, the classical political economists were criticised for erroneously, representing the observable categories of capitalist society (private property, wage-labour, commodity-market relations, etc.), as products of abstract, natural laws which have universal application to all economic societies in history. For Marx, the economic relations under Capitalism are not the natural conditions of economic life, and have no existence independent of the mediation of human beings. The fallacy of classical theory of Capitalism, he argued, was its inability to see the existence of Capitalism as a particular kind of economy which presupposes a definite and particular kind of organization of social relations.

"Capital, therefore, announces from the outset a new epoch in the process of social production". (33).

"The capitalist epoch is therefore characterised by the fact that labour-power, in the eyes of the worker himself, takes on the form of a commodity which is his property; his labour consequently takes on the form of wage-labour. On the other hand, it is only from this moment that the commodity form of the product of labour becomes universal". (34)

The classical political economists, by their failure to recognise the historically specific nature of the capitalist mode of production, and by ignoring the concrete conditions of capitalist society - the relations of production between men - , thus obscured what was in fact intrinsic to their analyses of the capitalist system, namely the constitution of the system upon the segregation of proletarian labourers from bourgeois employers.
"The subject of our discussion is first of all material production. Individuals producing in society, thus the socially determined production of individuals, naturally constitutes the starting point. The individual and isolated hunter or fisher who forms the starting point with Smith or Ricardo belongs to the insipid illusions of the eighteenth century. They are adventure stories which do not by any means represent, as students of history of civilization imagine, a reaction against over-refinement and a return to a misunderstood material life. They are no more based on such a naturalism than is Rousseau's contract social.... To the prophets of the eighteenth century on whose shoulders Smith and Ricardo are still standing, this eighteenth century individual, constituting the joint product of the dissolution of the feudal form of society and of the new forces of production which had developed since the sixteenth century, appears as an ideal whose existence belongs to the past; not as a result of history, but as its starting point". (35).

The point of critical reference in the above passage, is the classical theorists' conception of the 'extremum principle' (the maximizing activities of capitalists, and the need for labourers to sell themselves for wages) as a natural law of economic society. For Marx, the classical theorists failed to appreciate what they themselves have proved with their 'labour theory of value' - the dependency of Capitalism upon the exploitation, utilization and externalization of 'surplus-labour'.

In the Marxian theory of the State, the evolution of the capitalist State is viewed as commensurate with, and a function of the development of the very conditions of capitalist social formation -
the crystallization of the 'division of labour' into 'specialization of functions'. Unlike the primitive form of social organization in which, civil, military and other administrative functions are undertaken by all members of the society, the capitalist form makes these functions the prerogative of a separate group of people. In formal and simplified terms, the institutional features of the capitalist-state include:

i. a centralized political authority of either the monarch or the monarchical court;

ii. a 'parliament' of initially regional interests (nobles, higher bourgeois and churchmen) and later, of class interests (aristocracy, bourgeoisie and representatives of the proletariat);

iii. the army, police, bureaucracy and other apparatuses of government.

iv. a populace that is more or less able to organize for local opposition to exactions.

In practice, however, the lines of cleavage between these institutional networks of the capitalist-state system, blur considerably. Since in every class society, the dominant ideology is that of the ruling class (i.e., the articulation of economically dominant position at the superstructural levels of political, legal, intellectual and cultural relations), then the organization and administration of social relations upon the ethos of the bourgeoisie (the ethos of privatization of property and enterprise, wage-labour and other commodity-market and exchange relations) culminate in the State's function as an instrument of the bourgeoisie's economic exploitation and political/cultural domination of the other social classes.

In the words of Ernest Mandell,

"To consolidate the domination of one class over another for any length of time, it is therefore absolutely essential that the producers, the members of the exploited class, are brought to accept the appropriation of the social surplus by a minority as inevitable, permanent and just.

That is why the state does not only fulfil a repressive
function, but also a function of ideological integration. It is the ideological producers who make the fulfilment of this function possible". (36).

At this point, I must diverge to say that there is a logical connection between this Marxian theory of the State (as an instrument of class exploitation and oppression), and the Marxian theory of Ideology as it applies to the epistemological and ontological assumptions of the classical political economists, about Capitalism. Though the Marxian conception of ideology refers basically, to the possibility of a mode of abstraction leading to a perception or construction of reality that is radically different from the real essence of that reality (i.e., the difference between things as they appear to us in observation, and their real status as causal mechanisms in explanation) (37), the conception also incorporates the notion of ideology as the 'propagation of erroneous perceptions (false-consciousness) to justify particular social systems or relations'. In this case, the naturalist assumptions about Capitalism which are encountered in the theories of the classical political economists, served the political and cultural function of justifying the structural conditions of capitalist society, in the consciousness of both the ruling and ruled classes.

In this scenario, the apparatuses of the capitalist-state, reorganized through the revolutionary ascendancy of the bourgeoisie (i.e., the reconciliation of the interests of mercantile and industrial capitalists, towards the usurpation of the aristocracy), served not only the consolidation of the economic and politico/cultural power of this class at the domestic level, but also facilitated the global expansion of Capitalism via 'economic nationalism' and 'imperialism'.

The conditions under which definite productive forces can be applied, are the conditions of the rule of a definite class of society, whose social power, derived from its property, has its practical-idealistic expression in each case in the form of the State". (38).
For Marx, the global expansion of Capitalism, via imperialism and colonial exploitation of foreign lands, is a process involving such State's assistance as the grant of monopoly charters to private enterprise and, the use of the national 'imperial army' in the annexation of foreign to the metropolis; the process also involves the establishment of:-

"A new and international division of labour, a division of labour suited to the requirements of the chief centres of modern industry, springs up and converts one part of the globe into a chiefly agricultural field of production for supplying the other part which remains chiefly industrial field". (39).

The significant point to note about this international division of labour by which, the industrialized capitalist countries achieve their exploitation and profit accumulation, to the detriment of the colonized peoples, is that, it comes to be explicated and justified in bourgeois political economy, as a 'naturally ordained' international economic relations. This is encountered with the theory of 'comparative costs advantage of production' contained in the economic textbooks of the West. That this conception of international economic relations (as established under global Capitalism) is both an illusion and an ideology, finds textual support in Marx's Modern Theory of Colonization. He writes,

"The great beauty of capitalist production consists in this, that it not only constantly reproduces the wage-labourer as a wage-labourer, but also always produces a relative surplus population of wage-labourers in proportion to the accumulation of capital. Thus the law of supply and demand as applied to labour is kept on the right lines, the oscillation of wages is confined within limits satisfactory to capitalist exploitation, and lastly, the social dependence of the worker on the 'right list, which is indispensable, is secured. At home, in the other country, the smug deceitfulness of the
political economist can turn this relation of absolute dependence into a free contract between buyer and seller, between equally independent owners of commodities, the owner of the commodity of capital on one side, the owner of the commodity of labour on the other. But in the colonies this beautiful illusion is torn aside. There, the absolute numbers of the population increase much more quickly than in the mother country, because many workers enter the colonial world as ready-made adults, and still the labour-market is always understocked. The law of supply and demand collapses completely. On the one hand, the old world constantly throws in capital, thirsting after exploitation and 'labourers'; on the other, the regular reproduction of the wage-labourer as a wage-labourer comes up against the most insurmountable obstacles, which are in part insuperable". (40)

The obstacle referred to in the above passage, is that presented by the 'colonial producer' who, as owner of his own conditions of labour, employs that labour to enrich himself instead of the capitalist.

"The contradiction between these two diametrically opposed economic systems has its practical manifestation here in the struggle between them. Now the capitalist has behind him the power of the mother country, he tries to use force to clear out of the way the work of production and appropriation which rest on the personal labour of the independent producer". (41).
Class Relations, Class Conflict and Social Change in Marx's Theory.

Critics of Marx tend to see a problematic arising for any class analysis of modern Capitalism, that attempts to find textual support in the original Marxian theory. In most cases, the problematic has been identified with the failure of the Marxian prediction of Capitalism's demise via the proletarian revolution, to materialize. The failure of this prediction is then seen as an indictment of Marx's materialist conception of History, in terms of the fallacy of its historical laws of social change. I have already dealt with this issue and argued at length that, such a critique is based upon a fatalistic interpretation of dialectical materialism, and hence a misrepresentation of the Marxian propositions.

But there is another type of critique of class analysis and of Marx, with similar implication, but organized from the argumentative position that, there is a contradiction between the Marxian conception of classes at the economic level, and his conception of class relations at the level of the political, legal and cultural superstructure. In their work entitled "Marx's Capital and Capitalism Today", the authors - Anthony Giddens, Barry Hindess, Paul Heins and Athar Hussain - claim that the difficulty with Marx's class analysis,

"....arises from the problem of reconciling a conception of classes as categories of economic agents and as political forces and ideological forms with a non-reductionist conception of the autonomy (or relative autonomy) of politics, law and culture with regard to the economic. (42).

The evidence that the critics use to support the claim of Marx's 'non-reductionist conception of the autonomy of social superstructure', comes from the following passage from Capital, Volume 3.

"The specific economic form, in which unpaid surplus-labour is pumped out of the direct production, determines the rela-
tionship of rulers and ruled, as it grows directly out of production itself and, in turn, reacts upon it as a determining element. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form. It is always the direct relationship of the owners of the conditions of production to the direct producers - a relation always naturally corresponding to a definite stage in the development of the methods of labour and thereby its social productivity - which reveals the innermost secret, the hidden basis of the entire social structure, and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of state". (43).

It is obvious that there is no implication of a conception of 'non-reductionist autonomy of the superstructure', in the above passage. This implication is rather the product of the critic's own interpretation of the passage, subsequent to their posing of the question - "How does the form in which surplus labour is extracted determine the relationship of rulers and ruled? In answer to this question, they argue:

"It would seem that the character of the relations of production determines the form of direct political-legal superstructure by determining what precise form of direct political-legal intervention in the economy is necessary for these relations of production to exist. The economy functions as 'hidden basis of the entire social structure' by securing its own political-legal and cultural conditions of existence. Nevertheless, since Marx tells us that 'the relationship of rulers and ruled...react upon (production) as determining
This argument clearly indicates that, the critic not only impute to Marx what is not explicitly stated in his propositions, but interpret him out of context - without reference to the Marxian political economy in which, the role of the capitalist-state and consciousness are analysed in relation to the analysis of the manifestation 'objective class relations' into subjective class politics and conflict. Reference to these dimensions of the Marxian political economy would have revealed that, the statement - 'the relationship of rulers and ruled reacts upon production as determining element' - does not necessarily imply that, that relationship is exclusively political or absolutely autonomous, relative to the material relations which give rise to it. The term 'determining' in the passage cannot mean 'causation', for if it did, Marx would have had a problem explaining how the political, legal and cultural superstructures could rise from the economic base of material relations. Its real meaning in the context of the passage, and in Marx's political economy, must be the 'justification and sanctioning of the relations of production' via the dominant ideology of the ruling-class and, the utilization of the apparatuses of the state, to stabilize these material relations.

Secondly, if Marx had held the conception of non-reductionist autonomy of the superstructure, he would have had a problem explaining how the bourgeoisie achieved its 'power base' to destroy the feudal mode and relations of production, as well as usurp the political dominance of the landed aristocracy. Thirdly, and especially relative to the modern world, there can be no 'political society' that can exist and survive as an independent entity, by having an absolute autonomous relationship with the economic base that provides its life-support.

What the critique just discussed attempts to prove is that, there is no
ontological substance for the Marxian conception that, history is the
history of class consciousness, as the latter is determined by the mate-
rial relations of production and is fought out between antagonistic
classes, toward the change of the exploitative and oppressive social
system in question. In the critique of this theory of social change,
Hindess and associates argue that it involves a conception of history
that emphasises the 'primacy of the will and consciousness of the human
subject'. The evidence here is found in the Marxian predication of the
proletarian revolution upon the condition of transformation of a class-
in-itself into a class-for-itself. This, they claim, is a contradiction
in the Marxian theory since:

"Classical Marxism has always rejected any explicit
conceptualization in subjectivist terms". (45).

The criticism can be answered by this simple rejoinder. Though Marx's
epistemology and methodology eschew subjectivism, his materialist Concep-
tion of History is not formulated in either subjectivist or objectivist
terms (i.e., free-will or determinism). Rather, it basically dialectical.
It does not start with an objectivist conception of social formation (as
the classical political economist did), then moves on to a subjectivist
formulation of social change; it begins and ends with an intersubjective
(unity of action and system) conception and analysis of society.

The last statement does not mean that the Marxian theory of social
change is infallible; it is fallible in terms of its erroneous conception
of the historically revolutionary position and roles of the classes of
capitalist society. As I stated earlier, history (in the form of the
Russian and Chinese revolutions of the 20th century) has proved that, the
peasants are not necessarily conservative and reactionary, but can be led
or educated into a revolutionary social force, as opposable to Capitalism
as the proletariat. At the same time, Capitalism has shown its capability
to neutralize proletariat class consciousness and revolutionary potential, with new and more sophisticated forces of production and forms of consumption relations, which have not led to any radical changes in its relations of production and accumulation process.

On the other hand, it must be recognized that Marx did reveal that Capitalism could, and must move through time, in a process of sustained accumulation.

"No social order ever perishes before all the productive forces for which there is room in it have been developed; and new, higher relations of production never appear before the material conditions for their existence have matured within the womb of the old society itself". (46).

But in this conception, he was handicapped by the data derived from the specific or concrete conditions which informed his propositions, to achieve an accurate anticipation of the forms and direction in which the adaptation of Capitalism to its inherent contradictions and recurrent crises, would take in modern times. It cannot be denied that the Marxian assumptions about capitalism and its classes were based on the historical case of 19th century English Capitalism, then seen as 'golden age' of the system, yet has turned out to have been just an 'embryo stage' by modern standards. The technology of that 'golden age' now appears quite primitive, while the social base that supported it now appears to have exhibited nothing more than simple forms of business, political and social organization. Secondly, the same test case of 19th century England led Marx to conceive (rather erroneously) that, the 'fully developed capitalist mode of exploitation and accumulation, takes place mainly in relations of production in which, labour is 'juridically free' and is divorced from ownership or control of the means of production. It is obvious that this conception is now underscored by such forms of highly exploited labour as, the employment of Black and Coloured races in South Africa and Third World emigrants
in the industrial West, at rates of wages calculated far below what the 
bourgeois economic laws of supply and demand and the price mechanism would 
have determined. The same is true of the use of unfree or quasi-slave 
labour of political prisoners, in the Siberian 'labour camps of the 
Soviet Union. The Marxian conception also erred, relative to the defin-
tion of economic class relations in relation to the question of 'possession' 
and 'separation' from the means of production. That is, Marx failed to 
anticipate the tendency for Capitalism to take on the form of 'state-capital-
ism' in which, private entrepreneurship is dispensed with, as envinced 
in both the western 'welfare state' system and the 'command economies' of 
Eastern Europe. Yet, state-capitalism has not led to decomposition of 
class relations and class privileges and underprivileged, in both East and 
west. (This issue constitutes the subject matter of Chapter Seven of this 
Thesis, and its discussion provides the 'empirical case' for Class Analysis).

To conclude, Marx's focus on the core of the global system of Capitale-
ism during the 19th century (England), led him to base his model of the 
system's adaptation on the assumption that, the institutions and structures 
of the core would spread across national boundaries intact, to create a 
universal class of exploited proletarians whose revolutionary consciousness 
would increase with the intensification of capitalist exploitation, and 
would eventually be articulated in a class conflict causing the final 
rupture of the Capitalist system. That this prediction has not materialized, 
is a question that cannot be answered or examined in isolation from the 
means and tactics with which, Capitalism has achieved its adaptation. 
Among the new developments which have transformed the simple structures and 
features of 19th century Capitalism, and aided the system's adaptation to 
the potential destructive forces of its own creation, the following must 
be noted.

1. The organization of modern Capitalism's global exploitation and domina-
tion in terms of tiers of core and peripheral relations.
ii. The creation of varied systems of wage-labour, at both domestic and global levels, with the effect that wage differentials between skills, industries and countries create intra-working class and intra-periphery competition, for the advancement of individual/national interests at the expense of collective ones, thereby neutralizing whatever potential revolutionary and ideological solidarity among the victims of capitalist exploitation. At the same time, 'economic nationalism' has been awakened and intensified, through competitive protectionism among the core-capitalist countries.

iii. The increasing influence of socio-psychological conditions like, the fostering of materialism and consumerism which, by dominating the 'libido' of modern man, have become the new forms of social control of behaviour in industrial and semi-industrial societies; the worker of the modern capitalist-society is, therefore, in effect, more a family member of the 'firm', than he/she is of the social class of his/her objective material conditions.

iv. The growing complexity of the modern bureaucracy (both public and private), which increases the dependency of the individual on faceless processes of social organization, decision-making and public accountability.

v. The creation of a universal culture of industrial-technology which, by cutting across national political, ideological and cultural boundaries, implies that it is not only the individual who has become an appendage to the 'machine', but the whole organization of social life and the progress of mankind, are now subject to the whims and decisions of those who control financial, scientific and technological research and innovations, and decisions relating to investment, production and distribution of material and cultural goods.

When all these developments are taken into account, there can be very little doubt that Marx would have needed a 'superhuman brain' to achieve an accurate anticipation of modern Capitalism's global production-accumula-
tion networks. Far from the Marxian propositions and conclusions about the capitalist system being falsified, the structured relations of the contemporary world economy of Capitalism provide their validation, and justify the application of both Marx's method and theory of social change, to any realistic study and explanation of this system.

NOTES TO CHAPTER SIX


2. see Rosa Luxemburg - "The Accumulation of Capital"; London, 1951; also "The Crisis in German Social Democracy", N.Y., 1919.


4. ibid; p. 266.


10. ibid, p. 47.


16. ibid.; p.24

17. ibid.; p.25.

18. E. Hobsbawm - "Introduction to Marxism"; Inks Ltd., London, 1977, p.183. see also Marx's "Theses on Feuerbach" and "The German Ideology"; both in K. Marx & F. Engels - "Selected Works", Moscow and London, 1975, in which, criticisms are made against both the 'determinist interpretation' of dialectical materialism, and the 'idealism conception of history'.


22. Bourgeois economic theories which propagate this conviction include the work of Theodore Shultz - "Transforming Traditional Agriculture"; Yale University Press, New Haven, 1964; Arthur Lewis - "Economic Development With Unlimited Supplies of Labour", Manchester, 1954; and Gunner Myrdal - "Asian Drama", vol.2, Pantheon. N.Y. 1968. The common view of these writers is that, the Third World countries must proceed along the capitalist line if they want to achieve development.


27. ibid, p.449.
28. ibid; chapter 24, p.716.
29. ibid;
30. ibid; p.247

31. K. Marx - "Grundrisse"; op.cit., p.438


34. ibid; footnote 4. .
35. K. Marx - "Grundrisse"; op.cit. p., ibid;
36. E. Mandell - op.cit; p.29.


41. ibid;


44. A. Cutler - op.cit; p. I77.
45 ibid; p.I88.

46. K. Marx - "Preface To A Contribution To The Critique Of Political-Economy"; in Selected Works, op.cit.
"In the earlier epochs of history, we find almost everywhere a complicated arrangement of society into various orders, a manifold gradation of social rank. In ancient Rome we have patricians, knights, plebians, slaves; in the Middle Ages, feudal lords, vassals, guildmasters, journeymen, apprentices, serfs; in almost all of these classes, again, subordinate gradations. The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones."

Karl Marx & F. Engels - "Bourgeois and Proletarians", in 'The Communist Manifesto', London 1848

"The class structure of the rich market societies bear many similarities to each other and to those of 'developed socialist' states, a fact that bears witness to the common denominator of their industrial base. The property-owners who exist in the one do not in the other; the distinctions between manual and non-manual workers are far less acute in socialist states, while a discrete intelligentsia is more in evidence there. But public control of production by members of the Communist Party, through the bureaucracy, has made for 'bourgeois' preponderance just as effectively as in the more privatised systems of the West. It remains to be seen how closed the socialist version becomes if and when the opportunities for mobility by special promotion grow more restricted and begin to turn more upon the influence of the family and patron-client relations than upon such recruitment mechanisms as political loyalty (redness) or education (expertise). In terms of privilege and reward, in terms of their own definition of social class as a relation to the process of production, the 'new class' of 'bureaucratic
collectivists' is very much in evidence in the Soviet strata and its satellites, and more and more in China as well, however amenable this group has been to members moving into it from beneath, and however subordinate to party control".

R. Pettman - "State & Class; A Sociology of International Affairs";
London, 1979, p.156

1 THE REALITY OF CLASS RELATIONS TODAY

A theme commonly characteristic of the ideological rhetorics of East-European Marxists and West-bourgeois intellectuals, is the vehement refutation of the 'class stratification' of their respective societies. For the Easterners, the theoretical view that Socialist society, as the transitional stage between Capitalism and Communism, is based on collectivized property and public enterprises, has led to the dogmatic conception of the contemporary socialist countries, as essentially de-classed. A similar 'de-classed argument' is found in the bourgeois representation of modern Western societies. Here, the 'post-industrial Western society' is supposed to have a capitalist system with a morally acceptable face, in the following senses:

i. the domination of production by a 'soulful corporation' that is more attuned to the social needs and welfare of the worker, than it is to crude profit maximization;

ii. the emergence of a 'new middle class' of technocrats who are separated from the ownership of capital, but whose expertise (technical and organisational) give them considerable decision-making power that, they not only form a buffer between Capital and Labour in the class-conflict in industrial society, but also contribute to the increasing decomposition of 'economic privilege' as a basis of political authority, in the modern capitalist society.
iii. the creation of a 'pluralist political society', via the advent of industrial-technology, in which, there are multiple competing power centres (or pressure groups) of, more or less, equal political influence, especially since politicians have to appeal to the cross-section of the population, for their rights to decision-making.

iv. thus, the institutionalization of class-conflict, in terms of the 'democratized competition' between the two great economic groups of the modern capitalist society - the Trade Unions representing the proletariat's monopolization of labour-power, and Employers Associations through which the propertyed bourgeoisie defend their interest;

v. the creation of a welfare economy in which, public welfare provisions like free education, subsidised health-care, social security and supplementary benefits for the sick, unemployed, aged and low-income families, mitigate the circumstances of the underprivileged social classes, to the point that the lines of socio-economic cleavage among occupational groups have blurred considerably. The contemporary Western capitalist country, it is argued, not only provides welfare for all, but equality of opportunity for social mobility, as well.

Overall, the arguments in support of the 'de-classed' modern capitalist society, find expression in Theodore Geiger's thesis - Class Society in The Melting Pot. (1) That both sides of the claim (East and West) are misrepresentations of the actual structures of Western and Eastern societies, is what this Thesis attempts to prove. The empirical refutation concentrates on the
Soviet Union (as the leading socialist country) and Great Britain (as the oldest of the Capitalist countries, that has at the same time managed the modification of the conditions of Capitalism's survival, without violent social upheavals). For the Third World dimension, see the case study of Ghana.

2 CLASS IN THE SOCIALIST SOCIETY - THE SOVIET UNION

From the Leninist conception of 'non-antagonistic classes', the official Soviet definition of 'class relations' has tended to be a modification of the original Marxian conception. The Soviets, for ideological reasons (the desire to avoid the stigma of class stratification, as a contradiction of the principles of Socialism), prefer to ignore the 'objective' dimension of Marx's conception - class as the grouping of individuals sharing common-market valuation and a particular relation to the means of production - and opt instead for its 'subjective' meaning - class consciousness and conflict. Thus, Stalin's identification of the two main classes in Soviet society (proletariat and Kolkhozi peasant) included the caveat that, Soviet society is classless, in so far as the relations between the two groups are non-antagonistic, and to the extent that the distinction between them is only as significant as the distinction between 'state property' and 'co-operative property'; both of which are commonly directed at the achievement of Communism.

The definition of the stratification system of the Soviet Union, also rejects the concept of class to the group of intellectuals and party officials who are responsible for the organisation and administration of the society. These elements, according to the official Soviet doctrine, constitute a stratum in the Soviet occupational hierarchy, but the members of each of the various strata do not, as a rule, articulate whatever economic and political advantages they gain in their activities, into
private power cliques. The superiority of the Soviet proletariat in relation to the Kolkhozi peasant in the social hierarchy, is a superiority of 'merit' and not one of privilege because, the proletariat just occupies the leading place, not a higher social status, in the common march toward Communism. On the whole, the Stalinist definition of the Soviet social stratification system, served to justify the Soviet retreat from the ideological principle of to each according to his needs. In place of this principle was substituted that of a meritocracy which allows for the policy of income differentials and other forms of economic discrimination, among occupational groups, as incentives for greater task performance and ideological commitment.

a) Income Inequalities in the Soviet Union

Under Stalin, the Kolkhozi peasant not only lagged behind the proletariat in income and other aspects of material/cultural life, but was extremely exploited to produce the 'surplus' for the Soviet drive toward industrial development. Among the urban occupational groups, technicians and Party activists whose roles were considered to be most functional in Stalin's programme of rapid industrialization, as well as loyal to his style of rule, were accorded considerable economic privileges in income and other benefits. The income differential between these elements and the average Soviet working class, at the time, was as much as the ratio of 6:1. (2).

Since the de-Stalinization programme of Nikita Khrushchev (1956) was launched, the Soviet income policy has aimed at the narrowing of the income gaps created among the occupational groups, through wage increases and tax reforms favouring the lowly-paid. The purpose, however, was not (and has not been) the creation (or recreation) of an economically egalitarian society, since the idea of discriminatory incomes and material
privileges, as incentives for hard work and achievement motivation, has become part of the Soviet 'socialist credo'. Current data on the extent to which the income reforms, launched from 1956, have actually reduced the income gaps among the Soviet occupational groups since Stalin, are not easy to come by, but studies made by Murray Yanowitch and H. Kent Geiger in the 1960's, are still invaluable sources of information, in this context. (3).

According to the Yanowitch study, in 1956 the ratio of the average income of the top 10 percent of Soviet workers, to that of the bottom 10 percent was 3.8:1. In 1959 the corresponding ratio was 5.8:1. The minimum wage had risen from the 1959 level of 27-35 rubbles per month to 50-60 rubbles per month in 1965, while the rise in the average wage for the comparative dates was from 79 to 99 rubbles per month. Within industries, however, distribution rates showed a differential as much as 10:1, in the salary earnings of the top official and the lowest-ranked worker. The data for the Soviet steel industry reveal the following details.

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>1959</th>
<th>1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Scientific Research Institute</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Director of Steel Plant</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Typist, Secretary &amp; Other Low-White collar</td>
<td>41</td>
<td>60</td>
</tr>
<tr>
<td>Janitor, Elevator Operator &amp; non-skilled</td>
<td>35</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Murray Yanowitch - "The Soviet Income Revolution", op.cit

The above data do not, however, reflect the difference between extremes in actual money earnings, as distinct from basic salary discrepancies. With the addition of fringe benefits in bonuses, transport allowances, and other economic privileges which accrue more to those in the
upper hierarchy of occupations than to the lower ranks, the income
differentials become greater. The gap between the real incomes of the
Research Institute Director and the Janitor, can be expected to be much
wider than that between their wage rates, since the former is more
likely to receive additional incomes from, say royalties on literary
works and teaching at the local University; opportunities that the
Janitor is not likely to enjoy. Similarly, the Plant Director has the
opportunity to increase his income through 'bonuses' accruing to his
occupational position, which the ordinary worker does not enjoy.

b) Status Inequalities in the Soviet Union

By status inequality is meant the transformation of economic, political
and other social advantages, into superior material/cultural life such as
the enjoyment of better housing, health-care, education, entertainment, etc.,
above the national average. The evidence furnished by H. Kent Geiger's
study suggests that, there is very low correlation between income privileges
and high social status (as defined above) in the Soviet Union, as compared
with the case of the Western-capitalist countries. In Geiger's view, Soviet
'equalitarianism' is at its highest here, because public recreational and
cultural facilities, opportunities for education and social mobility,
accessible medical-care, and the stringently fostered ideology of 'dignity
of labour', plus other aspects of Soviet 'humanism', all operate to reduce
the significance of income discrepancies among families and occupational
groups. (4). This view may be accepted but mainly to the extent that those
on high incomes do not use the advantage to by-pass official or specified
means of acquisition of material/cultural life, above the average quotas
which the society or the state rations among the population. The Soviet
ideology of 'collective life' may have fostered a public consciousness and
opinion that frowns upon 'bourgeois habits' but in practice, the Soviet
system of distribution has been found to be notoriously inadequate and
inefficient; many items of household consumption are found to be scarce
on the shelves of department stores, either by deliberate production out-backs or inefficient distribution. Under such circumstances of recurrent scarcity, individuals and families are compelled to use socially dis-approved means (blackmarketising, patron-client relations, nepotism etc.,) to satisfy their consumption needs, on an ever increasing scale than public opinion cannot stem. Cases of family and social-political ties coming into play in Soviet consumption relations, or to circumvent the established framework of social mobility, have been reported in various research findings. (5)

Not only do status discrepancies among Soviet families exist, but it is also a fact that high-income families do enjoy socio-economic privileges which are denied others, by virtue of their superior incomes. According to H. K. Geiger, most working-class families in Soviet cities live in single rooms and, must share facilities with others. This is in sharp contrast with the circumstances of the occupational-elite families (technocrats and Party officials) which include, not only urban accommodation in a well-heated and well-furnished flat of several rooms, but also the ownership of a country house or 'dachas' to which, the family can retire for vacations or weekends.

c) Educational Inequalities in the Soviet Union

Education in the Soviet Union is free, and equality of opportunity for higher education, on basis of merit and contest mobility, exists for all without distinction of family or occupational background. In the early years of Soviet socialism, educational policy was aimed at the discriminatory promotion of the 'higher education of manual workers and the peasants.' These social groups were given higher quotas to places in 10th Grade educational institutions (Soviet equivalent of secondary education), so as to enhance their children's mobility to graduate schools like the WUZ (the Soviet institutions of higher education), and to break
the monopoly of the occupational-elites. The abandonment of the quota system in recent years has, however, resulted in an increasing imbalance in the educational standards of the low income and high income families. Fewer and fewer children from low-income family backgrounds, are gaining access to the VUZ as compared to the high intake of students from elite backgrounds.

"There is no particular difficulty in 'unearthing' evidence of social inequality in Soviet schooling. Soviet sociological and educational literature is replete with such evidence. Indeed, the issue of social inequality has probably been explicitly discussed more frequently in connection with the educational system than in any other context ....... Like educational systems in Western industrialized societies, the Soviet system simultaneously reproduces prevailing class inequalities and provides mobility opportunities for large numbers of working-class and peasant youth," (6)

The evidence of social or occupational inequalities in Soviet education is furnished by the following distribution of 8th and 10th grade students, in Moscow and Sverdlovsk regions, in 1973/74.

<table>
<thead>
<tr>
<th>Parental Occupational Status</th>
<th>Moscow 8th &amp; 10th</th>
<th>Sverdlovsk 8th &amp; 10th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>66.2 49.0</td>
<td>70.5 58.5</td>
</tr>
<tr>
<td>Collective Farmers</td>
<td>3.6  3.7</td>
<td>0.7  0.3</td>
</tr>
<tr>
<td>Specialist/non-manual Workers</td>
<td>28.3 45.6</td>
<td>28.8 41.2</td>
</tr>
<tr>
<td>Undetermined</td>
<td>1.9  1.7</td>
<td>-          -</td>
</tr>
<tr>
<td>Total</td>
<td>100.0 100.0</td>
<td>100.0 100.0</td>
</tr>
</tbody>
</table>

The above statistics, placed alongside the data revealing that manual workers and peasants constitute over 75 percent of total Soviet employed population, indicate a considerable maldistribution of educational opportunities among the various occupational groups, with the elite families enjoying disproportionate advantages. The distribution of places in six VUZ centres in 1973 shows similar occupational inequalities.

<table>
<thead>
<tr>
<th>Centres</th>
<th>Workers</th>
<th>Collective Farmers</th>
<th>Non-Manual Employees</th>
<th>Pensioners</th>
<th>Military &amp; others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moscow</td>
<td>24.1</td>
<td>3.4</td>
<td>56.7</td>
<td>15.8</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Sverdlovsk</td>
<td>36.5</td>
<td>3.6</td>
<td>43.4</td>
<td>16.5</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Novosibirsk</td>
<td>34.3</td>
<td>6.6</td>
<td>43.4</td>
<td>15.7</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Odessa</td>
<td>32.4</td>
<td>9.6</td>
<td>44.3</td>
<td>13.8</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Voronezh</td>
<td>29.0</td>
<td>13.4</td>
<td>36.6</td>
<td>18.0</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Tallin</td>
<td>32.4</td>
<td>9.5</td>
<td>44.3</td>
<td>13.8</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Total of all Regions</td>
<td>31.2</td>
<td>8.4</td>
<td>44.8</td>
<td>15.6</td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: G. A. Slesarev, op. cit.

Though the factor responsible for these education inequalities among Soviet occupational groups may not be directly related to the income discrepancies among them, social and political advantages cannot be ruled out. In the first place, the pupils from low-income families have been found to exhibit low mobility rates, in the transition from 'primary' to 'secondary' education, and even far lower rates from the latter into the institutions of higher education (VUZ), and yet they are the most populous at the primary level (they outnumber pupils from high-income families in the ratio of 8:2). One of the reasons accounting for this is the change in the traditional principle that, completion of secondary education provides subsequent automatic admission to VUZ, and thus, a guarantee of eventual intelligentsia occupation and status (the most lucrative social placement in the Soviet Union). The effect of this change in educational
policy is that, between 1950 and 1977, the percentage of secondary school graduates who could realistically expect to find places in VUZ institutions, dropped from 61 percent to 15 percent. In this official Soviet policy of 'deflation of career expectations', a greater proportion of the Soviet youth, especially those from low-income families, have been discouraged from pitching their aspirations high. Most of them, therefore, tend to resign themselves to their preparation for careers that do not go beyond the semi-professional or working-class. Secondly, the less ambitious educational aims of the lower classes must be attributed to parental attitudes which, consider higher education as 'extraneous' or wasteful of the time that the youth can usefully employ in bringing extra income into the home. It is obvious that parents on low-incomes would need the supplementary earnings of their children to make ends meet, and thus would lack the incentive to encourage the further education of such youth. In contrast, those on high-incomes would inculcate and encourage 'high achievement motivation in their children', if for no other reason than the maintenance of the 'elitist' status of the family. The 1966 Komsomolskaia Pravda study of a representative national sample of 2730 urban adults revealed that, private tuition tended to be encouraged more in the homes of the intelligentsia and other high-income groups, than in the homes of the working-class and peasantry. In addition, high-income gives some families greater access to extra-education aids, beside the formal classrooms. As Geiger notes;

"The final difference shown in the use of free-time, concerning patterns labelled as 'high culture', reading magazines and attending theatres, concerts, etc., are all strongly associated with the economic resources and educational training of persons in families on each social level". (7)

Another important factor that makes the egalitarian nature of the Soviet education system more apparent than real is that, 'sponsored mobility'
creeps into it to distort the whole idea of meritocracy. Not all forms of high education in the Soviet Union carry the same social prestige and monetary earnings, and since VUZ places are limited in relation to demand, those applicants who are socially well connected (economic and political advantages) are bound to have greater advantages in the competition for places.

d) Political Inequalities in the Soviet Union

The concept of 'political inequality' has a variety of meanings. In one sense, it means discriminatory treatment of individuals or groups with respect to their human rights or, the civic rights of the society in question. In this meaning, the Soviet Union tends to maintain political inequality detrimental to minority groups like the Jews and other citizens who are critical or show dissent, relative to the rule of the Communist Party. Dissidents can be arrested and held in detention or forced into labour camps without trial, or can be exiled. But the sense of political inequality implied in this study, is the existence of unequal opportunities for differential social groups, to political representation and decision-making.

The question of existence of a distinctive social group or class with a monopoly of 'political power' in the Soviet Union, has always been a controversial one, among Sovietologists. For Milovan Djilas, the 'political ruling class' in the Soviet Union is composed of Party-bureaucrats who, though they did not come to power on the wings of their economic privileges (since most of their members have proletarian backgrounds), nevertheless have created an economy of their own choice, and thereby have acquired the socio-economic trappings of the previous ruling-classes they overthrew in the name of Communism. The implication of this is that, the distribution of political power in the Soviet Union, is affected by an incipient class structuration in which, the occupants of political/bureaucratic positions in the party hierarchy, articulate
this privilege into economic advantages for themselves and their families. (8)

This further implies the corruption and misuse of power by those entrusted with the administration of the Soviet socialist society.

Anthony Giddens, however, disagrees with Djilas' account of political relations in the Soviet Union. According to him,

"...... if there is any important area of class structuration in state socialism, it concerns the division between the intelligentsia and other groups in the population .......... There is a fundamental difference between control over collective property, such as is held by party officials in the state socialist society, and the rights of disposal enjoyed by the owner of private property in the capitalist societies. The former does not allow, as the second does, the direct transmission of economic advantages across generations."

Giddens' argument is based on the idea that socialist stratification, as found in the Eastern countries, is basically one of 'phenotypic inequalities' which does not necessarily lead to 'genotypic inequalities'. But he contradicts himself with the admission that,

"If there is a high degree of closure in the mediate structuration of the 'new class', it must operate via the inheritance of educational advantages". (10).

In spite of the propositional nature of the above statement, it still carries the implication of 'trans-generational' (or genotypic) stratification, especially when political power positions appear to accrue more to the members of the intelligentsia and Party activist classes (who also happen to constitute the economic elite). The truth of the matter is that Soviet society, like all the other socialist societies, is organised and administered, apparently on behalf of the proletariat, but not by the proletariat. The pattern of membership composition of the Communist Party (the most important and influential social organ) in recent
years, attest to the dominance of the economic elite classes of the polity. In 1959, industrial manual workers held 48 percent of the membership of the CPSU (Communist Party of the Soviet Union); the Kolkhozi peasants held 31 percent, and the non-manual occupations made up the remaining 21 percent. By 1968 this distribution has altered radically, with the non-manual occupation membership increasing to 45 percent, against the 39 percent and 16 percent representation of the manual workers and peasants, respectively. The intelligentsia dominates not only the Party membership but also the Politburo (the decision-making apparatus of the Soviet state). And as Anthony Giddens himself admits, there is a direct relationship between occupational level and Party membership. Given the fact that the Vanguard of the Communist Party provides the political leadership of the Soviet Union, the inevitable conclusion is that the economically privileged groups who have the greatest access to the Executive positions of the Party, are also the potential and actual political rulers of the society.

3 CLASS RELATIONS IN MODERN WESTERN CAPITALIST SOCIETY OF GREAT BRITAIN

The coming into power of a Labour Government in 1945, promised a new phase of social administration (egalitarianism) of British Society. This was not merely because the Labour Party is theoretically the political wing of the British 'working-class movement', but more importantly the 1945 Labour Government carried a mandate to effect social reforms, for the creation of a 'just society' in which, class privileges and other forms of inequality would be eliminated. This was the philosophy of the Welfare State. It was not only the Labour Government that advocated the need for such reforms; the Conservative opposition also appreciated the need for a 'high and stable level of employment', the provision of family allowances and free secondary education for all.
Successive Labour and Conservative Governments accepted the idea of the 'welfare state' not only in principle, but also in practical terms, by aiding its growth with such schemes as National Insurance and Supplementary benefits for the unemployed, sick and disabled, and low-income families and individuals; National Health service in which medical care was heavily subsidised; Graduated Pensions; Public Housing, and a progressive tax system aimed at the redistribution of incomes.

The equalitarian visions built of the British 'welfare system', however, materialized but only to the extent to which the ruling bourgeois and aristocratic classes were prepared to bear the burden of its funding. In the first place, the political consensus reached among the national political parties (Labour and Conservatives in particular), about the welfare provisions, did not go beyond the establishment of 'subsistence life' for the most destitute of the British population. The right to 'supplementary benefit' for those in need was (and has been) based on a 'poverty means test' which most commentators consider to be very degradatory. (11). In this test the applicant must satisfy the administrators of the scheme that, he/she and his/her family are absolutely poor, in the sense of lack of any source of income from employment, savings, investment and pensions. The actual benefit is calculated and payable at monetary rates equivalent to an arbitrary determined 'poverty-line'. This implies that the whole scheme is not designed to lead to the socio-economic emancipation of the underprivileged British population, let alone to the equalization of the circumstances of the various classes. The National Health provisions have, in recent years, been found to be very inadequate, relative to the philosophy of the scheme and the standards of health-care expected of a modern industrially developed country. Not only did the attempts by
successive Labour Governments to phase-out 'private beds' within the state provided Hospital services fail, but Conservative Governments have been bent on reducing the share of the NHS in the national budget, at the same time that the cost of the services to individuals and families (who cannot afford private health-care), steadily increases each year, in terms of higher charges for prescriptions, dental-care and optical attention. The budgetary controls imposed by the current Thatcher administration on the NHS, have led to the closure of most Hospitals, throughout the country.

The 'free secondary education' for all idea, has also lost its real meaning in the co-existence of 'public schools' which cater for the children of the rich with superior facilities and tuition, on the one hand, and state secondary schools which cater for the underprivileged with inferior facilities and tuition, on the other. Until very recently (when the 1944 Education Act was reformed), a system of 'streaming' in which 'eleven plus examination' separated children into first class (grammer) and second class (secondary-modern and technical) operated, only one in four of the pupils from lower-class backgrounds could go to the grammer schools which prepared them for university education, and hence, the lucrative and prestigious occupations in the country. Meanwhile, the children of the upper and middle classes were assured of such education, in terms of their easy access to the public schools of Eton, Harrow, and others. Until the 1976 Labour Government Act attempted (unsuccessfully) to implement 'comprehensive education' in all Local Authorities, over 60 percent of children in the state-maintained grammer schools, and 75 percent of those in state-aided, selective 'direct-grant schools' came from middle and upper class backgrounds. In the name of private enterprise and private property, contemporary British society has maintained the socio-economic and political superiority of its upper and middle classes, via the continuity
of institutions like the public school, private health-care and pensions etc., In Britain today, it is still the ability to pay, and not moralistic principles, that ensures an individual's or a family's enjoyment of viable material/cultural life. The successive Labour and Conservative Governments have not only failed to promote the 'welfare system', in the direction of elimination of class privileges, but their policies have often led to the entrenchment of the lines of class segregation. With the present (September 1982) official figure of unemployment at around 3½ million, a deflationary economic policy that has weakened business and investment confidence with detrimental consequences for the working classes, this is what the Observer (in its editorial) has to say, in reflection of public opinion.

"It is the sad achievement of Mrs Thatcher's Government that, midway through her term, the conservatives are once again the Party of Unemployment. It may be said that this is unjust, that the whole Western world is suffering from the recession. But the Government has aggravated the baleful effects of recession by domestic policies rooted in a dogma that has long outlived its usefulness. By her apparent unconcern for the social effects of her policies, Mrs Thatcher has embittered class and racial division, thereby failing in one of the prime tasks of national leadership". (12).

Statements like the above, are not the only reliable evidence of class relations and class privileges, and the role of the state in the perpetuation of these, in the modern Western-capitalist society of Britain. The empirical picture is furnished by the findings of the 1976 Royal Commission on Distribution of Wealth and Income.

a) Economic Inequalities in Britain

It is a well-documented fact that the distribution of the British national wealth, is extremely skewed in favour of a very small minority of the population. Though no data on wealth and income distribution can
adequately reveal the extent of upper/middle class affluence, relative to the underprivileged situation of the working classes, since the wealth and incomes of the former tend to be tied-up in complicated ways to avoid taxation, (and individual tax-returns are not open to public scrutiny in Britain), the evidence, however, is that the top 1 percent of the British population still owns 80 percent of all land in England and Wales, and over 85 percent of all privately held stock and shares. Not even the effects of 'death-duties' have disturbed the effective ownership of 18 million acres of land by the British aristocracy. The data on wealth holdings read as follows:

**BRITISH DISTRIBUTION OF WEALTH HOLDINGS**

<table>
<thead>
<tr>
<th>INCOME GROUP</th>
<th>1972 (£bn)</th>
<th>1976 (£bn)</th>
<th>INCREASE (£bn)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1</td>
<td>51.9</td>
<td>70.0</td>
<td>18.1</td>
<td>17.5</td>
</tr>
<tr>
<td>5</td>
<td>99.5</td>
<td>132.9</td>
<td>33.4</td>
<td>32.2</td>
</tr>
<tr>
<td>10</td>
<td>124.2</td>
<td>172.9</td>
<td>48.7</td>
<td>47.0</td>
</tr>
<tr>
<td>20</td>
<td>152.1</td>
<td>219.6</td>
<td>67.5</td>
<td>65.2</td>
</tr>
<tr>
<td>Bottom 80</td>
<td>32.5</td>
<td>68.6</td>
<td>36.1</td>
<td>34.8</td>
</tr>
<tr>
<td>Total</td>
<td>184.6</td>
<td>215.0</td>
<td>103.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Royal Commission on Distribution of Wealth & Income, 1977
### THE DISTRIBUTION OF INVESTMENT INCOME IN BRITAIN (1973-74)

<table>
<thead>
<tr>
<th>QUANTILE GROUPS %</th>
<th>% OF INVESTMENT INCOME</th>
<th>AMOUNT OF INVESTMENT INCOME OF GROSS £m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1</td>
<td>34.4</td>
<td>1,006.8</td>
</tr>
<tr>
<td>2-5</td>
<td>21.0</td>
<td>614.6</td>
</tr>
<tr>
<td>6-10</td>
<td>7.5</td>
<td>219.5</td>
</tr>
<tr>
<td>Top 10</td>
<td>62.9</td>
<td>1,841.0</td>
</tr>
<tr>
<td>11-20</td>
<td>8.4</td>
<td>245.8</td>
</tr>
<tr>
<td>21-30</td>
<td>5.5</td>
<td>161.0</td>
</tr>
<tr>
<td>31-40</td>
<td>4.6</td>
<td>134.6</td>
</tr>
<tr>
<td>41-50</td>
<td>4.8</td>
<td>140.5</td>
</tr>
<tr>
<td>51-60</td>
<td>5.2</td>
<td>152.2</td>
</tr>
<tr>
<td>61-70</td>
<td>3.9</td>
<td>114.1</td>
</tr>
<tr>
<td>71-80</td>
<td>2.4</td>
<td>70.2</td>
</tr>
<tr>
<td>81-90</td>
<td>1.5</td>
<td>44.0</td>
</tr>
<tr>
<td>91-100</td>
<td>0.8</td>
<td>23.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,926.8</td>
</tr>
</tbody>
</table>

Source: Royal Commission on Distribution of Wealth and Income 1976

From the 1977 Report of the Royal Commission, it is clear that extreme wealth and income inequalities exist among the social classes of modern Britain, despite progressive taxation and other material redistribution schemes. Extreme cases of income inequality are found in the capacity of business tycoons (stockbrokers, industrialists, insurers, etc.) and professional people (doctors, solicitors, accountants, etc.), to earn upwards of £50,000 a year, while some manual workers barely manage a yearly income of £3,000. Overall, the top 10 percent of income receivers command more than 25 percent of the national total. This implies a ratio of 10:1 between the top and bottom deciles. The income gap widens, with the addition of fringe benefits like the use of company cars, assistance with house purchase, free medical insurance, expense accounts to defray entertainment and protocol costs, free or cheap loans, and profit sharing and stock and shares options, which accrue more to
those in top executive positions than to those at the bottom of occupational hierarchies. Progressive taxation fails to reduce both the income privileges of the high-income earners and, the extreme inequality between them and the lowly-paid workers, for the following reasons. First, the income-elite groups have the financial and organisational means of tax avoidance and tax evasion, in most cases with the aid of such 'company schemes' as annuity contracts in which, perks are not declared as part of the executive's salary; but generally through such activities as the manipulation of the 'tax-bill', false expense account, declaration of bankruptcy, 'moonlighting' and utilization of tax allowances, with the aid of tax accountants. The general consequence of the tax avoidance and tax evasion activities of the British bourgeois and upper classes is that, the incidence of taxation falls more on the shoulders of the poor, underprivileged working-classes; only 25 percent of the tax burden is borne by the rich 10 percent of the population. During the 1974/75 tax year, the top 10 percent paid less than 30 percent of their total income in direct taxation; the richest 1 percent paid only 47.1 percent. In theory, their total liability should not have been less than 75 percent of their total income.

The figures depicting the actual taxes paid, overstate the tax really paid by the high-income earners, since tax is shown as a proportion of income net of allowable deductions like mortgage interests and superannuation. In terms of gross income, the tax rates of the super rich tends to be very low. Chris Pond explains why the increase in tax burdens has been biased in favour of the rich sector of the British population,

"Inflation has the effect of increasing the amount of tax paid by all income groups, unless allowances are increased in line with rising prices ..... an increase in money income to keep pace with inflation may push the wage earner into a higher rate of tax. This has resulted in a higher tax burden
amongst all income groups but it has been accompanied by pressures which direct a large share of that increased burden towards the lower paid. This is first because tax free personal allowances represent a larger proportion of the incomes of this group (being flat rate) so that their erosion by inflation has a harsher impact than at higher income levels. Second, increase in money incomes at the lower levels which takes a family into the tax system for the first time involves a jump in marginal rates from 0 – 34%, whereas at higher levels the increase in marginal rates in rarely more than 5%". (13)

Not only is the British Tax system ineffective in the policy of taxing the rich to provide welfare for the poor, but it in fact has the opposite effect in contributing to the growth of economic inequality between rich and poor. In the unequal distribution of tax allowances (the rich gets more bases of exemption), the larger the allowance that one group claims, the higher the incidence of taxation that must be borne by other groups. For instance, elitist expenditures like mortgage interests, life insurance, and superannuation contributions are exempt from taxation, but rent payments and national insurance contributions which, the working-classes are more liable, are not. Such subsidy to business expenditure extends to even 'labour costs', with the effect that all that a firm has to do is threaten the closure of its business, and the Government will step in with a subsidy for its wage bill, if it promises to stay in business.

b) Social Inequalities in Britain

Unlike the tentative case of the East-socialist countries, there is definitely a high correlation between income privileges and the enjoyment of superior material/cultural life in Britain and other Western-capitalist countries. In Britain, elitist standards and ways of life find expression in the education of one's children in institutions which guarantee lucrative and prestigious careers in industry, public bureaucracy, finance, politics etc., the ownership of a house (sometimes more than one or even a country estate) with the added advantage of additional income
earnings in rents or, home improvement grants, tax relief on mortgage interests, and tax-exemption for owner occupation. In 1979, such tax concessions for 'real estate owners', accounted for about £3,000 million in lost revenue to the Exchequer. One third of these tax-relief claimants earned on the average, incomes of over £10,000 a year; and virtually all professional and managerial families in Britain are home owners, compared to the quarter of the working-class population enjoying the privilege.

Accompanying the well-paid job are occupational pensions and sick pay schemes involving benefits far greater than those provided by the National Insurance scheme for the working-classes. The pensions and sick pay entitlements of the occupational elite, are calculated and payable on final earnings and rates of salary. Only two-thirds of manual workers enjoy such schemes. The general effect is that economic inequalities among the classes stretch into old-age; the better paid the occupation, the more likely it carries a higher pension. High income also guarantees the best medical-care, in both ability to pay and private health insurance, on top of sick-pay from the very first day of incapacity. 90 percent of non-manual workers are so insured; less than 60 percent of manual workers are, and the majority must not only serve a qualifying period of not less than three months of continuous employment, but do not get immediate sick pay until after three days of incapacity.

c) Educational Inequalities in Britain

Education (at higher levels) may be a social leveller of class lines, if after graduation, the individual can overcome the obstacles of class, racial, religious, sexual and other cultural prejudices of employers. There is no guarantee that a 'university degree' will advance one's socio-
economic mobility, for developing space with the growth of institutions of high-education, has been the discriminatory evaluation of degrees with reference to the awarding body or institution. Oxford, Cambridge and other older universities carry more prestige than the new Polytechnics, in this context. At every level of the British education system, elitist institutions whose doors are open more to the children of the economically privileged classes, reinforce class inequalities. Two-thirds of children in the elite public schools (Eton, Harrow, Winchester, Charterhouse and others), come from middle and upper class homes, and these homes represent only 20 percent of total British families. The direct-grant and other private schools are likewise monopolised by the elite. Given the facts that the public and private schools have lower teacher-pupil ratios, well-stocked libraries, well-equipped laboratories, better recreational facilities, compared with the provisions found in the state secondary schools, it comes as no surprise that the university intake of students from the elitest schools is six times that of the non-elitist schools. In effect, only 4 percent of individuals from manual backgrounds obtained university education in the 1970s; the comparative figure for the non-manual classes was 18 percent.

d) Political Inequalities in Britain

Political equality is theoretically and legally accorded to all persons resident in Britain. It finds expression in such principles as the rule of law, freedom of speech, of worship and of association in legalised activities. The right to political representation (as a voter or candidate in elections), for any one individual, is only proscribed in the cases of the certified insane, convicts and minors. In reality, however, the distribution of political power among the various classes, in terms of access to politically influential positions and decision-making, favour the wealthy and economically privileged. Property-ownership may no longer
constitute the exclusive criterion of political representation and participation in decision-making, but it, and noble-birth, are still important factors in the political relations of modern Britain.

The advantage of noble-birth is, for instance, envinced in the fact that the head of state (monarch) is not elected by popular choice, and in so far as the government acts in the name of the Crown, there exists a system of 'centralised authority' in which, sovereignty lies with a hereditary ruler and not with the elected representative of the populace. Secondly, the legislative apparatus of government is organised to give institutional representation and participation in law-making, to individuals who are not elected by popular vote, who represent a mere 0.5% of the population, and are in their positions by virtue of birth or patronage — viz. members of the House of Lords. Whatever the real political powers of this House, there is no doubt that it is a legislative organ dominated by the privileged social classes. Thirdly, at the most important level of the British political process (house of Commons and Local Councils) the individual voter's power and political influence amount to basically the election of 'national' and 'local' representatives, every five years and two/three years, respectively. This is not only a very limited exercise of popular power, but it also takes place within the framework of organised political relations in which, the distribution of opportunities for effective influence is unequal, relative to the choice of representatives, policies and organisation of opinion expression, among the various social classes.

The choice of representatives has, in practice, been found to be limited to persons possessing affluent and prestigious backgrounds, with an ideological commitment to the ethos of bourgeois-capitalism. The
social-class composition of the Parliamentary Labour Party (theoretically a working-class Party), reveals a steady decline of working class MPs. From 87 percent in 1919 the working-class membership has declined to 60 percent in 1929, 43 percent in 1945, 36 percent in 1964 and 27 percent or less throughout the 1970s. The changing class composition of the Parliamentary Labour Party reflects the increasing 'de-radicalization' of the Party's policies, with respect to the advancement of the interests of the working-classes vis-a-vis those of the bourgeoisie. This is evidenced in the attempts by Labour Governments to curtail workers' rights to industrial action for better conditions of employment, as involved in the Industrial Relations Bill of the Wilson Government (1964-70) and the 'Social Contract' policy of the Callaghan Government (1974-78) which, held down wages while prices and profits increased, leading to the 'winter of working-class discontent' and the defeat of the Labour at the 1978 Polls by the Conservatives. Meanwhile, the Labour Party is beset with internal disharmony and splinter movements, resulting in the defection of right-wing elements and the formation of the Social Democratic Party by Shirley Williams, David Owen, William Rogers and others.

The Labour Party is not the only entity that can be said to have betrayed working-class interests; the same can be said of the British Trade Union Congress. Basically, the strategy of the TUC, relative to the conflict between 'capital' and 'labour', has tended towards 'omnibus policies' which seek accommodation with Capitalism, rather than the overthrow or reform of the system. In the true reflection of Robert Michels' Iron Law of Oligarchy, the TUC only supports the industrial and political actions of its rank-and-file, where it is the initiator of such action. And the actions it initiates do not normally go beyond piecemeal reforms which hardly affect the established structure of economic, social and political relations in the country.

At the level of administration (bureacracy), the class-composition
of the top hierarchy of the British civil service and the forces (police and military) is highly in favour of the upper and bourgeois classes. The 1966-68 Fulton Report revealed that, of the 2,500 highest civil servants in control of the bureaucracy, less than a quarter is drawn from manual and semi-manual backgrounds. This unequal class composition must be attributed to the recruitment policy of the Civil Service Commission, which is found to be biased in favour of the socio-economic elites. Nearly two-thirds of British bureaucrats are educated at Oxford and Cambridge (the institutions dominated by the affluent classes). According to the 1976/77 Select Committee on Expenditure, one-fifth of 'administrative trainee applicants' (for the period 1971-75) were Oxford/Cambridge graduates, yet half of the eventual appointees came from this sector. In 1976, 60 percent of the Oxford/Cambridge applicants were successful. What is most significant to note is the Committee's revelation that, the Civil Service Commission was not unduly concerned about the image of 'class bias' in its recruitment practices.

The general conclusion that must follow this exposition of the social structure of modern Britain is that, in all areas and at every level of the social system, there exist institutional biases which operate against the working-classes and, perpetuate their socio-economic and political inequality, relative to the privileges of the upper and middle classes. Though this state of affairs may not necessarily imply the existence of a 'monolithic ruling class' of capitalists and their allies, it still implies a system that fundamentally works in the interests of socio-economically privileged groups. The working-classes may have the superiority in numbers which, in theory they could utilize in voting power to achieve the political dominance, necessary in the restructuration of the society. But 'organisation' is the name of the class-political game, and organisation means the possession of resources (material and mental) to translate
potential power into actual dominance. Such resources are monopolised in a far greater volume by the elite groups, to the point of negation of the numerical strength of the working-classes. Thus, it is that the processes of production and distribution of material/cultural life, knowledge and consciousness, and the general administration of the society, all tend to be based on the ethos of the dominant social class—the bourgeoisie. The general effect is that, a considerable proportion of the underprivileged classes tend to be successfully socialised, to accept the established system and structures as just. Added to this is a national media which, largely owned by the bourgeoisie, propagate the virtues of Capitalism and encourage the psychic energy of the population to find expression in consumerism and materialism—the modern forms of social control in the acquisitive Capitalist society.

4 CONCLUSION TO THE REALITY OF CLASS RELATIONS TODAY

The foregoing discussion of the social structures of the modern industrial countries of East and West, has one principle aim—the debunking of the idea that the stratification system of these countries are 'classless'. To this aim, the question of 'justice' or 'injustice' of the systems so examined, is outside the objectives of this Thesis; so is the issue of efficiency or inefficiency of the capitalist or socialist mode of social formation and production. In so far as the subject of class relations concerns the relationship between the two social systems, the following may be observed as areas of similarity and dissimilarity.

1. Both systems organise production and consumption relations with the common means of industrial-technology, and on the basis of common 'market' principles of profit maximization and 'price-evaluation' of labour and capital inputs. The imperatives of industrial-technology, in particular, tend to have a considerable influence on the life styles and socio-economic
and political relations in both societies, in terms of the emphasis on meritocracy. In this respect, the dichotomy of the 'social nature of production' and the 'private nature of consumption' applies in both societies. The state-socialists' claim of systemic distinction from capitalist-bourgeois relations, on grounds of 'collectivization of property', is underscored by the fact that in practice, there is no correspondence between such collectivized production and communal consumption, which ought to be the real essence of egalitarianism. Thus, the real socio-economic relations found in state-socialism of the East, are as asymmetrical as those found in the capitalist West.

ii. Meritocracy may underlie the organisation of both societies, but it is not safeguarded by the necessary principle and practice of 'equality of opportunity' for all, in so far as structured institutions operate to inhibit the mobility of some groups, while enhancing that of others. In the Western countries, the dominant bourgeois value-system makes such factors as 'old school tie', family and social connections, and acquiescence in the dominant ethos, important elements of social and occupational placement of individuals. Similarly, a person's 'redness' and connection in the right-social places, are important factors governing social structuration in the Socialist East. In addition, unequally circumstanced families and social groups are supposed to compete for power, under conditions of institutionalized biases, disadvantageous to the underprivileged classes, in both societies.

iii. The tendency for socio-economic privileges to find expression in political power positions is, however, greater in the capitalist societies than under the state-socialist institutions. In the former, the articulation of socio-economic privilege into political power is actually encouraged and aided by every facet of the social system. In the latter,
it is more a clandestine process in which, the state's reliance on public opinion and repressive methods to discourage the misuse of privilege, do not necessarily prevent such practices as nepotism and patron-client relations.

iv. Given the intense competition between East and West for global political and military hegemony, the signs are that the social inequalities within their societies would persist for some time to come. This is because the national resources that would be needed to bridge the material/cultural gaps between classes, are now being used heavily in the pursuit of ideological, political and military supremacy in world affairs.
NOTES TO CHAPTER SEVEN

1. Theodore Geiger sees the 'decomposition of class society, class relations and class consciousness', in modern industrial society, in the following senses. "A united proletarian front against the capitalist system has neither grown stronger nor expanded in modern times. The new proletarian sections of society – for example, the impoverished petty-bourgeois groups and considerable portions of the white-collar stratum – have reacted entirely differently than the industrial workers to their social situations; at any rate, they do not perceive their socialism as the target of their interests...... Within the working class itself a cooling of proletarian class consciousness and a considerable split has taken place, as considerable parts of this class have risen in their income level to lower middle-class conditions. Their social attitude and thinking follows much more this changed income status than their relation to the means of production. They have become, as one says, bourgeois (verburgerlicht)". see T. Geiger - "Class Society in the Melting Pot"; trans. C.S. Heller (edt) 'Structured Social Inequality'; N.Y. 1969, p.91

2. The question of 'incentives' has been a recurrent issue in the ideological dialogues among the practitioners of Marxism. In the February 10th, 1968 issue of the New York Times, Fidel Castro (the Cuban Leader) was quoted to have criticised the Soviet Union with the statement, "Communist countries like Russia are becoming more Capitalistic because they are relying on material incentives more and more". However, in 1970, Castro stated in the Cuban official Newspaper, Granma that, "The principle of to each according to his needs, cannot materialise in the present circumstances of Cuba, and must be deferred till the future".


4. see A. Volkov - "Incorruptible Conscience", (short story) trans. in Izvestiia, January 16th, 1962, in which the case of the Chairman of the District Executive Committee in the town of Iglino, Bashkir, ASSR. who used his position to obtain the release of his son from police
custody, is cited as an example of practices of 'favouritism' in the Soviet Union today.

5. quoted in H. K. Geiger, op.cit., p.288
6. ibid;
7. ibid;
10. ibid;
"The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian into its civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image".

Karl Marx & Frederick Engels - "The Manifesto of the Communist Party";
London, 1848.

Class relations characterise not only the social structures of the nations of the contemporary world system; they also find expression in the world system of capitalism, especially in the latter's production-accumulation network which, holds the key to the understanding of the dependency and underdevelopment of the Third World countries. In this 'global conception of class relations', what is meant is more than the 'universality of class stratification'. The conception also implies that, the structured relations at the level of global system, have the character of class stratification. There is a global system of class relations of production and consumption in which, the inequality of individuals, of groups and of nations, provide the framework
within which exists, the integrated and interdependent world economy. Domestic patterns of unequal distribution of material and cultural life, spill over to define the relations of production and consumption between countries. Transnational class relations or class interests (especially the interests of the national elites), can be found to coalesce, with reference to the structured relations of the global system, and are defended with 'state power'. In substantive terms, the support for this proposition depends on the extent to which, it can be argued that there is 'transnational collusion of class interests and subsequent consciousness', in the process of capitalists' global accumulation of profit and exploitation of underprivileged populations of the world.

This question has been much debated in the literature of the Political Economy of World Society, and even self-proclaimed Marxists have been in error, in their understanding and treatment of its significance. A case in point is Fred Block's argument that, ".......It is already difficult to make a convincing empirical case that Capitalist classes have that kind of strategic consciousness in terms of policies within nation-states. But when one adds that further level - that capitalists have some kind of international strategic consciousness - I think one runs into real problems of evidence and explanation".

My response to such skepticism is that, there is no lack of evidence to support the idea of 'collusion of interests among capitalists and national ruling elites'. True, the exploiting/ruling elements of the world society may not, in principle, accept the historical role assigned to them in Marx's social theory, and thus may not portray an 'international strategic consciousness' in terms of, the articulation of their objective condition (i.e., a class in itself) into the subjective situation of 'a class for itself'. Yet, this cannot rule out their 'class consciousness' relative
to first, their individual and collective awareness of their privileged material/cultural circumstances (vis-a-vis those of the underprivileged mass of mankind) which, they tend to consider as the 'natural result' of the superior biological endowments of their members; second, their common awareness that, their vested interests so existing in the structured relations of the world system of capitalism, are under constant threat of erosion, via either the reformist or revolutionary activities of the most politically articulate elements of the exploited mass of mankind, and must thus be defended; thirdly, such defence of the 'vested interests' of the capitalist ruling classes, may not take the form of an 'internationally co-ordinated activity', yet an 'international significance' must be attached to the conscious influences which, the various national elites wield over the domestic and foreign policies of their respective nations. In so far as such influence over domestic and foreign policies, and the production, investment, financing, etc., activities of capitalists maintain the structured relations of the global system, then we are led to the following as evidence of the 'transnational collusion and defence of the vested interests of the exploiting/ruling elements of the modern world society'.

1. The organization of the production-accumulation relations of global capitalism, in terms of an exploitative international division of labour which, integrates rural Third World populations and urban industrial groups in the North, into a universal hierarchical system of affluence and poverty. At every level of this structured hierarchy (whether we think of the urban-rural dichotomy in the Third World countries, or of the bourgeois-proletariat cleavage in the West, or of the intelligentsia-workers division in the Eastern countries, or even of the North-South Dichotomy at the global level itself), we can always find a distinctive group of privileged-minority individuals, social groups and nations, with vested interests in the established system, who also possess a monopoly of economic and political power to maintain these interests.
ii. The structured system and concomitant inequalities persist, as a direct result of the institutions (domestic and global) which support them. And there can be no institutional support of social relationships, without the political decisions and economic activities of the most powerful elements of the society in question. In most cases, the institutions themselves have built-in-biases which, favour the privileged elements.

iii. Situations like the military and economic supports that both East and West give to their proteges in the South (example, the despotic and exploitative regime of Mobutu in Zaire, and the military juntas in Latin America), cannot be adequately explained without reference to the vested interests held in common, by the donor countries and the recipient leaderships, in the Third World countries. Of particular relevance here, is the fact that these elements consciously pursue activities and policies which maintain the circumstances of the Southern countries vis-a-vis those of the North.

iv. To the extent that the 'military-industrial complexes' in the North and, the concomitant 'arms transfers to the South', are mutually beneficial to the Northern elites (they constitute an indispensable means of profitability and economic solvency) and Southern elites (the arms provide the means of keeping their unpopular and incompetent administrations in power), we can safely assume a 'collusion of interests between these elements'.

v. There is ample evidence to support the contention that, Southern politicians consciously involve their countries in 'disadvantageous investment and other economic contracts' with the TNCs, for the principal purpose of gaining personal monetary rewards, in the form of 'percentage kick-backs', from the value of the contract awarded to the foreigner. The supporting evidence for this, is provided in the case study of Ghana.

vi. There may not be a 'conscious strategy of exploitation', in the 'developmental ideas' which Northern intellectuals have prescribed for Third World development to date, from the perspective of 'causality'. But when,
in the face of the practical failures of these ideas and, the revelation of factors of the global system which confound the feasibility of policies based on these developmental ideas, the latter is still propagated and, used as the basis of the Northern 'foreign economic policies' toward the South, then there must be an implication of Northern strategic consciousness to exploit the South. A good example of this is found in the current Western intransigence, and the Eastern ambivalence, relative to the North-South Dialogue.

vii. When trade barriers are consciously erected to reduce the volume of Southern exports to the North, thereby reducing the former's foreign exchange earnings and, hence, its potential for economic growth and development, simultaneous with the Northerners' preaching of 'free world trade', the logical conclusion to draw is that of a conscious strategy of 'deception and exploitation' of the South. The same conclusion must be drawn, when Southern demands for greater control over the exploitation of their natural resources, are met with Northern threats and actual use of coercion.

viii. It is significant that, the global press (controlled by the elites of the Northern countries) hardly ever project a more positive and favourable image of the Southern countries, to enable the South to attract the 'lucrative world tourist trade'. Western television and newspapers are always conspicuously attracted to the South, during periods of natural disasters and socio-political conflicts. And the 'brain drain' from the South to the benefit of the North, which is a function of the economic and political instabilities in the South fostered by the structured relations of the world system of capitalism, is hardly ever mentioned when the Western developmental literature and press reports, comment on the relative lack of 'technical expertise' in the Southern countries.

These are very few factors of the modern world economy of Capitalism which, in my opinion, provide ample evidence of 'conscious strategic capitalists' exploitation of the mass of mankind. The evidence reduce to insignificance, such apparent intra-Northern and intra-capitalist conflict
of interests like, the resurgence of 'economic nationalism' among Western countries; the intense competition between TNCs for advantages in the production-accumulation networks of the global system; and the East-West ideological conflict. The capitalists may compete among themselves, but they do so in a manner that does not allow the pursuit of their individual interests, to negate the conditions of their individual and collective profit accumulation. At the level of 'international organisation' relative to the North-South Dialogue, the Northerners have always managed to reconcile their differences and, found a common ground to oppose the Southern demand for a 'new international economic order'. The Southerners, in contrast, have lacked the necessary collective stand to bring pressure on the North. It is also significant to note that, despite the East-West ideological conflict, trade, financial and investment relations between the countries divided by the Iron Curtain, have generally been very cordial, at the same time that both sides maintain exploitative relations with the Southern countries. These assertions are given empirical substantiation, in the following discussion of East-West-South economic and political affairs.

I. THE INTERNATIONAL DIVISION OF LABOUR AND EAST/WEST COMPLICITY IN THE EXPLOITATION AND UNDERDEVELOPMENT OF THE THIRD WORLD.

At first sight, the weakest link in the chain of international capitalist's exploitation of the mass of mankind, may appear to be the position and role of the East-socialist countries, in the world system of Capitalism. These countries have not only declared their ideological antagonism towards Capitalism, but also define their social systems to be the very antithesis of capitalist society. In their foreign policies, they give the impression of being 'champions of the politically oppressed and economically exploited', and offer the promise of leadership in the revolutionary emancipation of the victims of Capitalism. Seen from this angle, the proposition of East-West complicity in the exploitation and underdevelopment of the Third World countries, appears tenuous. In reality, however, there is ample evidence
to substantiate the proposition.

In various ways, the East-socialist countries do form an integral part of global capitalism. They possess core or semi-core status and processes in the production-accumulation network of the system while, their domestic economies and external economic relations are based upon the same industrial-technological imperatives, and governed by the same 'market principles' and profit motives, which characterise those of the Western countries. Secondly, not only do they contribute to the perpetuation of inequalities in the world with the practice of neo-capitalist systems, but the ideological and military relations they maintain with the rest of the world, exacerbate tensions which, in turn, reinforce the conditions of capitalist's exploitation and accumulation. In the last analysis, the industrialized East (or its ruling elites) has as much vested-interest in the contemporary world system of Capitalism, as the Western countries and the despotic oligarchies of the Third World. These are analysed as follows.

a) The Convergence of East-West Economies and Interests.

The first thing to note about the Northern industrial countries, is the growing similarity of their value-systems and institutions, at least at the economic level. With the return of the Easterners to 'market economic practices' and, following the thaw in East-West Cold War relations (both dating from the mid-1960s), class structuration and class-determined foreign policies, have increasingly come to characterise the State-socialist systems. The demands of a 'market economy' (profit motivated production, cost accounting, discriminatory income distribution, etc.), and the imperatives of industrial-technology (the demand for higher skills and the need to use economic incentives to attract these), have all led to the emergence of the 'privileged intelligentsia and Party functionalists', in these countries. The members of these elite groups populate the 'state bureaucracy' in disproportionately greater numbers, than their minority in the societal population warrants. (See earlier discussion).
The convergence of East-West economies is exemplified in the 'market crisis' situations (example, inflation), which are now features of the socialist economies. As early as 1975, the British Financial Times reported:

"Inflation goes East: Within five years there will be little difference between Comecon and world prices". (2).

High prices in the domestic socialist economies were observed to be increasingly reflected in consumer items in Romania, Hungary and Poland, throughout the 1970s. The Hungarian consumer price index rose by 3.8% in 1975, while the prices of many food items in Poland increased by up to 60% in 1976, to trigger the workers' discontent and strikes which brought down the Girek Government in 1979, and the institution of 'marshall law' to suppress the 'solidarity movement'. In the 17th December, 1979 issue of the Financial Times, it was reported that from January 1, 1980,

"...in accordance with Hungarian Government policy, industry will be required to pay international prices raw materials, with the Government gradually withdrawing its subsidies.....from now on the salary bonuses for company directors are to be based largely on profits".

The essence of the 'market' developments in the East-socialist countries is that, these countries can no longer be considered as having an existence independent of the global system of Capitalism. All semblance of East-West dichotomy thus terminates at mainly the ideological and military levels.

At the same time, the principle of 'public ownership' of the means of production, now fails to find practical expression in the discriminatory income distribution, inequalities and privatisation of consumption, practised in the East-socialist countries.

b) East-West and East-South Trade Relations.

The trade relations which the Easterners maintain with both West and South, not only indicate the reintegration of the 'socialist economies' into the world system of Capitalism, but they involve patterns of exploitation akin to those seen in the North-South Dichotomy at large.
In the East-West trade, the socialist countries are basically importers of capital and technology and exporters of raw materials. This role is reversed in the East-South trade in which, the Easterners export capital and technology in exchange for Southern primary products. The South, in both its trade relations with East and West, remains the dumping ground for Northern manufactures and, the sources of cheap raw material inputs of Northern industries. Further, the tripartite trade between the sectors involves the 'recycling of trade advantages and disadvantages' in which, the South is generally the greatest loser, and the West the most benefited.

The East-West trade is roughly composed of two-thirds industrial and one-third primary goods from the West, and the reverse from the East. The balance of trade account has always been deficient on the Eastern side, with recurrent balance-of-payments deficits, as reflected in the following Eastern debt obligations to the OECD. In 1980 Romania owed $7,000 million; the Hungarian national foreign debt was $15,000 million, that of Czecho-lovakia stood at $5,000 million, while the East-German debt represented 10% of that country's total GNP for that year. In September, 1981, the Soviet Union's borrowings from Western Banks stood at $14 billion, against its total assets of $5 billion held in those Banks. (3). Estimates of the total Eastern debt owed to the West fluctuate between the low figure of $19 billion quoted by the Polish Press Agency (PAP), and the high figure of $35 billion quoted by the Chase Manhattan Bank of New York. In 1978, the International Herald Tribune (14th May, 1978), revealed that, as a result of pressures from the West the Eastern countries have reduced their debt burden from $56 billion to $5 billion. However, current projection by the Financial Times indicates a tendency for the debt to grow to $60-80 billion in the early part of the 1980s. What is most important to note about the East-West trade and the Eastern debt burden, are the negative consequences they have for Southern countries. The balance-of-payments incurred by the East, are partly financed with surpluses that the East gains in the East-South trade relations. Though the East-South trade has normally been
conducted in terms of bilateral, non-convertible currency transactions, recent trends indicate a movement towards multilateralism and currency convertibility, on the initiative of the Easterners. In this development, the Western TNCs play a crucial mediating role that results in the exploitation of the South, and the profitability of the West, with reference to the 'switch trading' of East and West on Southern products. The bilateral trade agreements between East and South stipulate the 'maximum swings' that can be allowed in the payment of balances. Excess balances must be settled at the end of six months trading period, on goods, gold or convertible currency of the creditor's choice. It so happens that an Eastern country lumbered with a Southern product it no longer requires, disposes of it through the intermediary of a Western broker. The latter sells the commodity in the Western market, at a considerable discount in price, but at a profit or commission paid by the Easterner. This switch trading harms Southern interests in the sense that, it leads to the flooding of the market for the commodity in question, and the Southern producer finds itself compelled to sell the entire remainder of its yearly output at the reduced market price, with considerable loss of foreign exchange revenue and balance-of-payments deficits.

East-South trade relations have, theoretically, some advantages for the Third World countries. They provide them with alternative markets for their products and, alternative sources of supply of capital and technology. But these advantages appear to benefit the elites and corrupt political leaders, rather than the masses, of these countries. In fact, they can be said to have detrimental effects for the lives on the masses, in the following senses.

In the first place, the advantage of an alternative market for Southern products becomes meaningless, when Southern exports are paid for
in goods that turn out to be useless to the latter's industrial and development requirements. A case in point was the 1960 Ghanaian decision to sell its 'cocoa' to the Soviet Union and Hungary, to spite the West. The Eastern payment was made in 'machinery' that turned out to be 'snow ploughs' and not the agricultural tractors needed by the Ghanaians. Secondly, even where Southern exports to the East are paid for in hard currency, the revenue raised is more or less the same as that which could have been realised in Western markets; for the Easterners trade at current world market prices.

In essence, the substitution of the Eastern markets for those of the West, is no more than the substitution of one disadvantageous economic relation for another. The same applies to the Eastern 'aid' to the South. Alongside the much publicised economic and technical and military assistance from the Socialist countries, come the latter's attempts to co-opt the decision-making of Third World governments. While the degree of East-socialists' interference, in the domestic administrations of their Southern host countries may be less than that observed in the Western co-optation of Southern decision-making, it is still significant enough to result in impediments to Southern development, as well as affect the latter's political stability. Political instability in the Third World is largely the result of armaments transfers (paid for with Southern exports), which keep despotic and corrupt regimes in power, as well as encourage inter-state conflicts on the African, Asian and Latin American continents. And in recent years, the East-socialist countries have found the sale of arms to these countries, as lucrative a trade as that in capital and consumer goods. The greater the volume of arms sales by the East to the South, the more intensified internal and external political tensions and conflicts in the Third World, and the more is the
West encouraged to increase its political and military interference in Third World affairs.

c) The International Division of Labour and East-West/East-South Industrial Relations

Like the trade relations between them, the East-West and East-South industrial and investment relations are determined by the terms of the international division of labour in which, the South generally plays its normal 'peripheral role'. In the area of industrialization, that role takes the form of supplier of cheap labour, cheap raw materials and cheap energy, for the Northern countries. The South opens its doors to Northern investors to mine its resources, and to manufacture goods which are then sold to the Southern populations, at exorbitant prices. To a lesser degree, the East-socialist countries play an identical peripheral role, in their industrial relations with the West. But they possess core status and processes, in two respects. First, their relations with the West are not as asymmetrical as the North-South relations, they respond to the Western direct investment in their territories, with their own direct foreign investments in the West, albeit at around 25-30% of total East-West investment relations. Secondly, they are in an absolute core position, relative to the operation of SCEs (Socialist Common Enterprises) in the South. Thus, the South remains the recipient of a two-pronged economic exploitation from the North.

In general, East-West economic interaction, relative to industrial, investments and financial activities, takes place through the medium of 'inter-governmental agreements' which, foreshadow the mutual penetration of TNCs and SCEs of the socialist and capitalist economies, respectively. The agreements provide for industrial co-operation, trade in licences, joint construction enterprises, joint ventures in third countries.
technological and financial credits, and marketing. They also provide for the establishment of foreign representation. The Socialist Governments find the agreements, a useful means of creating special measures for domestic firms to seek international co-operation, while preserving the 'public interest' in the economic relations between the society and Western Capitalism. On the part of the Western TNCs, they provide the opportunity for them to obtain state's assistance and special treatment, for their foreign enterprises. Most Western governments (in particular the United States) exempt their national private corporations operating abroad, from regulations which apply to other domestic enterprises. For instance, the foreign operators are accorded credit and insurance facilities and investment guarantees, to enhance their competitiveness vis-à-vis other firms on the international plane. This has the effect of making the offers of the TNCs more attractive to the Socialist clients. The 1979 Report of the UN Economic Commission for Europe (UNECE) put the total number of such East-West industrial agreements at 1,000 of which, 600 were concerned with metal-using industrial projects.

East-West industrial co-operation comes in a variety of forms, depending upon the degree of TNC/SCE penetration of the respective economies. The lowest level of such co-operation involves licensing and sub-contract agreements. Such licensing permits the introduction of technical and organisational expertise, in addition to the 'sold patents', in the production of the commodity in the host country. East-West licensing agreements represent about 10% of the total world trade in licenses, and the ratio of exchange between East and West is about 4:1 in favour of the West. Higher levels of economic penetration (direct foreign investment) occurs more from the TNCs than from the SCEs. The TNC
establishes either subsidiaries in the Eastern country or, leases the appropriate technology and plant, as well as supplies the technical advice, while the host country provides the labour, raw materials and buildings. This leads to a co-production in which, the TNC is entitled to an agreed portion of the completed article. The venture may also be in terms of the production of the article in the West by the TNC, with the socialist partner undertaking its marketing in the East, or vice versa.

The motivation behind East-West industrial and investment co-operation ventures is generally that of profit, but other economic considerations like the solving of balance-of-payments problems, the closing of the East-West technological gap, and the acquisition of resources to undertake research and innovation in agricultural production seem to attract the Eastern participation. Beside the factor of profit maximization, the West is compelled by the crises of modern Capitalism (recurrent recession, inflationary spirals, increasing production costs, and industrial unrest), to expand its investment activities to embrace the East. Given the relative stability of industrial relations in the East (limited workers' strikes or the outlawing of such strikes) and the cheapness of labour there (for instances the wages of the highly skilled worker tends to be 50-60% of the Western counterpart), there can be no doubt that investments there yield comparatively higher profits than those undertaking in the West. Thus, TNC operations in the East provide an invaluable life-line for Western-capitalism.

"Even the licensing and low-level joint production are quite valuable and profitable for the Western TNCs. For the Western partner these small deals are quite profitable, since they shift the more labour-intensive, less profitable processes to an area where semi-skilled and skilled labour is relatively cheap and a good deal dependable." (4)
The greater profitability of Western investments in the East is also a function of the pricing policies of the TNCs. According to the 1975 Report of the UNECE, the unit prices of Western industrial components sold to the Eastern countries, tend to be three times as high as those exported from East to West. Thus in 1975, the negative balance in the total East-West turnover in chemicals (SITC Group 5) amounted to U.S. $1.9 billion, whereas in 1970 the corresponding figure was only $0.4 billion. With respect to semi-products (SITC Group 6) the analogous balance was $4.8 billion in 1975 and $0.4 billion in 1970. This implies a Western-capitalist exploitation of the East that is not significantly different from the Northern exploitation of the South.

On the other hand, it must not be assumed that the East-socialist countries are as helpless victims as the Third World countries. They reciprocate with the same vicious business ethics and profit maximization behaviour, as practised by the Western capitalists; the difference is mainly one of degree. Cases of Eastern purchases of Western products at cheap prices and the resale of these at higher prices, have been reported, one example being the Soviet marketing of its 'Togliati-built Fiats' in Western Germany under the 'Lada' trade-mark. And according to the Financial Times (12th March 1976) the Soviet Union managed to undersell the Italian Fiat in Britain by as much as one third, in the motor industry. What the Easterners take from the West in the global system of capitalists exploitation, they dish-out to the South. For instance, the Soviet Union purchased EEC butter at half the world market price, and resold to its protege — the Allende regime in Chile — at the full world market price, in the early 1970s.

With certain variations, East-South industrial and investment relations parallel those found in the East-West intercourse. They range from simple licensing ventures and export of equipment and plants, to direct foreign
investments undertaking by the SCEs in the South. Such investments may be governed by ordinary 'equity ownership arrangements' or, by contractual joint ventures where the host country does not allow private ownership of property, (like Cuba). In 1975, the number of industrial projects undertaken by the SCEs under these arrangements was 2,900, while Eastern credits to the South totalled 11 billion rubbles. On balance, Eastern economic activities in the South entail less negative consequences for the latter's development, than Western activities. Eastern transfers of capital (credit) are made on terms which involve low interest rates and longer repayment periods, while their investment projects provide the LDCs with technology and other capital equipment, at more favourable terms of transfer. In most cases, the major reason for the Eastern presence in the South is political—the need for the ideological and diplomatic support of the Third World countries, and the chance to acquire military bases. These objectives require the Easterners to expend considerable resources to subsidise the economies of their hosts; typical example being the Soviet subsidy to Cuba.

On the other hand, the long-term disadvantages of the Eastern presence for the LDCs (especially their mass populations), tend to outweigh the short-term benefits. The Eastern countries are not particularly interested in the uses made of their economic, financial and technological aid to the South, by the latter's leadership, so long as the political and ideological bases of the intercourse are maintained by the host government. To this extent, the Eastern presence in the South tends to aid the perpetuation of the inequalities there, especially when the assistance rendered, props up unpopular despotic regimes.
d) **The Eastern Complicity in Global Financial-Capitalism**

Capitalism is like a cancerous social disease. It infects not only certain parts of the society ensnared into its forms of social relationships and organisation, but the whole fabric of the society, including the consciousness of its members. What was once alien becomes the norm. Thus, today, the East-socialist countries are as seasoned economic speculators, as the Western-capitalists, in the world system of Capitalism. What is most important to note is that, the Eastern economic speculation and profit accumulation have detrimental effects for the Third World countries. At the level of international finance and liquidity relations, there exists a Soviet Union-South African connection in the world of 'gold' and 'diamond' production and marketing, which run counter to both the Soviet ideological principles and the world opinion concerning any form of international intercourse with the Apartheid country. Both the Soviet Union and the Republic of South Africa are compelled by domestic economic problems like inflation, balance-of-payments deficits and huge national foreign debts (arising from defence expenditures), to co-operate and speculate in gold and other bullion prices in the world (5).

Between them, the two countries account for about three-quarters of the world's total gold production, and they must sell gold, and in larger quantities, to meet their rising financial liabilities. Co-operative and co-ordinative relations between them, become imperative as the price of gold keeps falling. And these relations are mediated by De Beers, the South African-based bullion-TNC. Whereas both sides vehemently deny such a relationship, their clandestine meetings have not escaped the attention of the global media. Thus, the August 1981, meeting between Harry Oppenheimer (boss of De Beers) and the top men from the Soviet Ministry of Trade (including Boris Sergeov, former London represent-
tative of the Soviet diamond marketing organisation), at the Connaught Hotel in London, was reported in the British press. The BBC television commentary then, was that,

"The two sides need each other. The Russians and the South Africans are like unhappy lovers - they cannot live together and they cannot live apart".

Apart from the fact that the economic collaboration between the two countries, goes against the grain of the political and ideological solidarity that the Soviet Union attempts to establish with 'Black Africa', because it implies the tacit recognition of the 'Apartheid Regime', there is also the hint of conscious Soviet conspiracy in the instabilities which affect international liquidity and exchange relations. Sharp swings in gold prices (like the mid-1970s revaluation of the world market price for gold) obviously affect international currency and commodity exchange relations, as well as interest rates, often with negative consequences for the liquidity of Third World countries whose currencies tend to be pegged to the U.S. dollar and other world reserve currencies. As the exchange value of these world reserve currencies decline, relative to rising gold prices, so does the value of Third World foreign exchange reserves, while their debt-interest laibilities increase. It is therefore, a very interesting state of affairs to note that, the Soviet Union always happen to be involved in international crises situations (the Cuban Missile Crisis of 1962, the Invasion of Afghanistan 1979, the Iran-Iraqi War 1979, to name but a few) which affect the gold prices to increase.

In any case, the Soviet-South African connection implies that, in the last analysis, what counts most in the international outlook of Eastern Socialism is not the grandiose international ideologies which conflict with Capitalism, but economic nationalism pursued within the world economy of Capitalism, with capitalistic ethos and strategies.
The Eastern complicity in the peripheralization of the Third World, in the above senses, continues even at the level of international strategic relations, which is examined later on.

2 WESTERN-CAPITALISM AND THE INTERSUBJECTIVE CONDITIONS OF THE NORTH-SOUTH DICHOTOMY

In a sense the core-periphery processes observed to obtain in the East-West and East-South economic relationships, and the consequences of both for the current circumstances of the Third World countries, are paralleled by the relationship between the West and the Southern countries. The Western complicity in the Third World peripheralization is, however, greater than that of the East. There is not only a difference of degree in the two sets of exploitation of the South, but whereas the Easterners mainly contribute to the perpetuation of the North-South Dichotomy, the Westerners are the architects and custodians of the whole phenomena. In other words, the analysis of the Western complicity in the poverty, underdevelopment, exploitation and dependency of the Third World countries, is but the analysis of the modern history of the development and global expansion of Western Capitalism. The two phenomena are determined by the same conditions.

These conditions can be defined and analysed in objective terms to pinpoint the role of historical and structural factors, and in subjective terms to assess the responses that have come from both the Third World countries and the Northern Industrial ones, relative to the established state of affairs. I must re-emphasise the point that such a distinction between objective and subjective conditions, is only tenable on grounds of analytic clarity and convenience. There is really hardly any dividing line between the objective and subjective factors of Third World underdevelopment, since historical conditions like Western European imperialism and colonial exploitation of these countries, have left legacies which
both constitute part of the contemporary structured relations between North and South, and determine the consciousness and responses of the Third World populations (particularly those of the leadership) to their predicament.

a) **The Objective Conditions of the North–South Dichotomy**

Broadly, the objective conditions which have determined the peripheralization of the Third World countries, and their relative dependency and under-development, may be conceptualized as the **internationalization of capital**, precisely Western capital. Between the 17th and the early part of the 20th centuries, the process was, more or less, a purely Western European-led affair, and it took the form of the expansion of 'imperialist rivalries' among the European nations, to the continents of Africa, Asia and Latin America, in the quest for production-accumulation advantages. The effects, for the natives of these continents, were the colonization of their territories and the subjugation of their countries to the service of the economic and political interests of the European powers. The whole process involved a complex series of 'territorial aggradizement and competitive economic exploitation'. In most cases, it first involved the establishment of trade relations with the natives in which, Western manufactured products were exchanged for bullion, raw materials and slaves. Later, investment ventures by the Western merchant capitalists were undertaken, mainly in the mining and extracting of precious metals, minerals and other resources, under conditions (political and military domination) in which the labour and vast resource endowments of the colonized regions, were extremely exploited.

In the general literature on European Imperialism, there appears to be a consensus among both Marxists and non-Marxists that, the movement's manifestation in the 'colonization' of the regions now known as the Third
World, was not indistinct from the process of internationalization of capital, as caused by the crises of overproduction, falling rates of profit, and intense intra-capitalist competition. But not all commentators accept the idea that European imperialism was necessitated by the need and search for productive advantages, among the capitalists. For Josef Schumpeter who rejects this conception, Capitalism is by nature incompatible with Imperialism, in so far as the latter is a 'rational and objectless disposition' on the part of a state or ruler, to unlimited forcible expansion of territory.

Schumpeter also divorces 'class interests' from the imperialist phenomenon, and sees the guiding force of imperialism as the 'anachronic instinct' or psychological motivation to dominate and cause wars, which was particularly characteristic of the warrior and self-aggrandizing sovereign of the time. The implication of Schumpeter's thesis is that, Imperialism is more a politically motivated movement than an economic one, and it is the 'state' rather than the 'capitalist' or the 'ruling class' that plays the decisive role in its process. (6).

There can be no doubt that the 'capitalist states' of Western Europe played vital roles in the 17th-20th Century imperialist-colonization of the African, Asian and Latin American continents. But the state role was basically supportive of the exploits of the capitalists. State's assistance to the capitalists took the form of grants of 'monopoly charters', the establishment of treaties with the colonized which exempted European citizens from the local jurisdiction, and the provision of military support for both the protection of trading posts and the annexation of territories. There can also be no doubt that Schumpeter errs in the argument that, economic motives were (or are) secondary to political ones, in the Imperialist phenomenon. The case of Western
European Imperialism in the now Third World countries, clearly indicates that economic exploitation or the opportunity to acquire advantages vis-a-vis competitors, cannot be ruled out, at the level of causality. As will be argued shortly, the legacies which European colonial exploitation left for the Third World countries, continue to serve the current privileged circumstances of the industrialized countries. Andre Gunder Frank has documented that, in the three centuries following the discovery of the New World (American continent), the flow of capital from the colonized regions to the European metropolitan centres was approximately £1,000 million, or more than the value of all of Europe's entire steam-driven industrial capital in 1800. Britain's income from the East and West Indies during the 20 years period (1760-1780) more than doubled the investment funds available for her growing industry, during the same period. (7).

The evidence supporting the thesis of 'profit motivated imperialism' is collaborated by quite a considerable number of students. Barrat-Brown has recorded that, in addition to the blatant drainage of capital (in bullion) from the colonized territories, the labour of the indigenous population was extremely exploited, in terms of either the shipping of slaves to the Americas and West Indian plantations, or the employment of such labour in the production of raw materials and cash crops (jute, coffee, copper, cocoa, iron, sugar etc.), at extremely low rates of pay. In the mining industries which were established throughout the colonial territories, the yearly average wage of the African worker, up to the eve of independence, represented just about 7 percent of the total value of that worker's output for the colonial master. On top of this, considerable proportions of the arable lands of the colonies (sometimes up to 70 percent) were committed to the cultivation of crops and raw materials functional to the domestic industries of the colonial masters.
Such Western European colonial exploitation and capital accumulation, did not come to an end with the formal termination of political administration of the colonies. Western imperialism still thrives in the Third World, in the guise of the presence of the Western-owned TNCs. The system of domination and exploitation is the same, only the political ingredient is missing; but that poses no problems since the new forms of Western control take the character of the strategic importance of the TNCs to the economic growth and development of the Third World, as sources of supply of capital and technology. The economic empires of the TNCs have replaced the political empires of the European states. And the new forms of 'imperialism' amount to neo-colonialism without the attendant factor of the political responsibility of the exploiting entity for the welfare of the exploited. In the neo-colonial exploitation, the system relies upon the administration of the country by indigenous elements whose, cultural and ideological imprisonment in the ethos of Western capitalism and, whose decision-making is co-opted by international capitalism, safeguard the interests of the foreigners and the client-ruling classes of the host society.

While the TNCs-led Western exploitation of the Third World keeps the imperial-state machinery in the background, there have been numerous cases of the latter's participation in the process, during periods of recalcitrant opposition. Where bribery and coercion (economic and military aid or threats to suspend such aid) fail to open the doors of the Third World country to the exploitation and accumulation process, the strategy of instigated or co-ordinated 'coup d'états' to overthrow the recalcitrant leadership of the country in question, is employed. Over 50 percent of the violent and unconstitutional changes in government which have characterised the post-independent history of political relations in the Third World, must be attributed to the interference of foreign
Governments and their agents in the domestic affairs of these countries. Cases in point have been mentioned in earlier parts of this discussion, and the attempts by the Reagan Administration in the USA to rekindle old conflicts (like UNITA versus MPLA in Angola) or spark off new ones in Libya, Nicaragua, Mozambique, Zimbabwe, and other places, to re-establish or advance the interests of Western capitalism, are very instructive. Imperialism is not dead, at least not Western Imperialism. Neither has Capitalism decayed, as Marx prophesised. In 1925, Bukharin reiterated the Marxian prophesy with the argument and the conclusion that,

"For a consistent Marxist, the entire development of Capitalism is nothing but a process of continuous reproduction of the contradictions of capitalism, on an ever wider scale. The future of world economy as far as it is a capitalist economy, will not overcome its inherent lack of adaptation on an ever wider scale." (8)

Bukharin was both right and wrong. He was right to the extent that the world economy is clearly a 'capitalist economy', and the inherent contradictions of capitalism undoubtedly produce recurrent crises, as observed by Gunder Frank in the following statement.

"Since 1967 the industrial West (including Japan and Australia) has entered another along crisis of accumulation of capital, analogous to the great crisis of 1873 to 1885 and the long crisis from 1913 to the 1940s, which included the Great Depression of the 1950s, fascism, revolution and two world wars. The new economic crisis is marked by excess productive capacity and a decline in the rate of profit, which militate against new investment except to reduce costs of production by making workers redundant at home and moving production sites to cheap labour areas elsewhere. Major investments in technological innovation and new leading industries cannot take place again until the profit rate is raised again through political action. Recessions in 1967, 1969 to 1971, 1973 to 1975, and since 1979-80 have become more
frequent, deeper and increasingly co-ordinated through the industrial capitalist countries. Unemployment in these countries have risen from 5 million in the first of these recessions to 10 million in the second and 15 million in the third recession. Unemployment continued to rise to over 17 million in the 'recovery' from 1875-1979. The recession in 1980 is threatening to raise unemployment to still higher and more dangerous levels. At the same time, recession and unemployment have been accompanied by — and indeed seem themselves to have generated — more and more inflation. The oil price hike has become the scapegoat for these problems, whose real sources are to be sought in the structure and development of capitalism itself and whose consequences are aggravated by economic and political policies". (9)

Bukharin was wrong in his conclusion that, Capitalism will not adapt to its self-generated crises. Throughout its long history of domination of the world economy, Capitalism has managed to carry its contradictions, adapt to the disintegrating social forces of its own creation, and not only survived but tightened its grip on the world economy. The capacity and process of adaptation have not been in terms of the provision of 'final solutions', to the recurrent problems of overproduction, failing rates of profits, inflation and unemployment. Rather the mode of adaption has been through the reinforcement and perpetuation of the very conditions of its development and global expansion — the creation of 'class-structured' production and accumulation relations in which, minority privileged elements exploit the mass of underprivileged mankind. In this process, the Third World countries have played a very vital part. The impact of the recurrent capitalist crises is easily passed on to the peripheral elements (domestic working classes and internationally exploited countries). At the domestic level, this takes the form of withdrawal of the welfare provisions accorded the underprivileged, during the brief
periods of prosperity. A case in point being the cut-backs in public spending in education, health, and other social services that Britain, the United States and other West European countries, have been doing in their austerity measures to deal with the current crises of inflation and recession. At the global level, the conditions of Capitalist adaptation, survival and continuous domination are found in the peripheralization of the Third World countries. And such peripheralization must be understood in terms of the continuous role of the colonial legacy, the structure of international economic relations established under the 1945 Bretton Woods regime, the activities of the TNCs in the South, and the consequences of East-West ideological and military competition.

i) The Colonial Legacy

By the colonial legacy is meant the domestic institutional structures inherited by the new nation-states of Africa, Asia and Latin America, from European Imperialism, and the international division of labour that pertained to the economic relations between colony and metropolis. Both sets of institutional arrangements were designed to facilitate the colonial plunder of the resources of the colonized, and their continuity today, implies the continuity of the exploitation of these countries by international capitalism.

At the level of contemporary international economic relations, the successful indoctrination of many of the leaders of the Third World countries, to accept that division of labour as the best and most equitable arrangement by which, the economic growth and development of their countries can be achieved, is one instrumental factor in the perpetuation of the North-South Dichotomy. (10) The doctrine in question, is the bourgeois theory of International Economics in which, the idea of 'comparative costs advantage in production' leading to increased international trade and mutual
gains for all parties, reigns supreme. As it happens, the intellectuals, political leaders and advisers in the Third World countries, trained in the wisdom of the Western world, fail to appreciate the fact that the doctrine glosses over the disadvantages that such an arrangement contain for parties producing commodities (raw materials and primary goods) whose low elasticities of demand and price, place them in an unequal exchange relationship with commodities having high price and demand elasticities. The theoretical fallacy of the doctrine is easily revealed in the practical case of Third World exports (apart from oil), fetching lower and lower prices each year against the high prices of Northern manufactured products, in the world market. Decreasing value of exports means decreasing export revenues, balance-of-trade and balance-of-accounts deficits, increasing debt-burdens, all of which imply lack of effective demand to acquire the means of economic growth and development. The Third World leaders have learned this lesson, but too late. For in their attempts to bring about a restructuration of the world economy, so as to eliminate these disadvantages, they must contend with the recalcitrance of the Northern countries, as later discussion will reveal.

The political leaders of the Third World cannot find solutions at the domestic level either. The European colonizers left nothing that could be considered as adequate industrial, infrastructural and financial bases, for the inauguration of a process of economic growth and development. Throughout the three-hundred years of colonial rule, the African, Asian and Latin American countries have been conditioned to rely upon one or two items of export (with unstable earnings in the world market), for their means of income. In India, for instance, only 8 percent of the total population of 236 million could rely on non-agricultural production for their incomes, prior to 1931. The 'colonial economy' had given priority
to the raw material needs of the metropolitan industries, and thus, had committed between 50-70 percent of the arable lands of the colonized regions to the cultivation of cash crops like cocoa, coffee, jute, sugar, tea etc., and the mining of minerals like tin, copper, bauxite, gold etc. The consequence was that, not very long after independence, the new nation-states found themselves compelled to import even food to feed their growing populations.

Of the billions of £s (pounds) that the population of the Gold Coast (now Ghana) produced in gold, diamonds, cocoa and timber to fill the coffers of the British Empire, during the 113 years of formal colonial rule, the post-independent Nkrumah Government found approximately £100 million in the national kitty. This legacy was very insufficient, even for the building of the educational infrastructure of the country (neglected by the British), let alone the other paraphernalia of nation-building. Ghana had no more than one university and a few secondary schools, on the eve of independence. Primary education had been organised by the colonial administration, to produce mainly office messengers and petty-clerks to serve the colonial bureaucracy and the offices of the foreign-owned enterprises in the country. The case of British East Africa (Kenya, Uganda, North & South Rhodesia, and others), was even worse. In 1958, Northern Rhodesia (now Zimbabwe) with its enormous copper earnings, possessed only one secondary school to cater for a population of two million.

The health of the human beings whose sweat and toil helped to build the citadels of Western European civilization, was the least concern of the colonial exploiters. That health-care (both curative and preventive) has been neglected, is enshrined in the fact that, Nigeria (the most populous of the British colonial possessions) was served on the eve of independence in 1959, by just 'one fever hospital'. This was hardly
adequate for a country of 45 million people of which 80% were potential and actual victims of malaria and other fever maladies. The same was the case with the legacy of colonial transportation and communication networks. The provision of telephonic and telegraphic communication had been inadequate that, only the residences and offices of the expatriates and local bourgeoisie had telephone connections; public telephones existed in only the urban areas; about 3,000 to 4,000 persons per one telephone booth. Public transportation in the Gold Coast amounted to a few government or local authority run 'buses' in the towns, and two railway lines (single tracks) running from the coastal capital (Accra) and the main seaport (Takoradi) to Kumasi, the hinterland capital where gold, cocoa, timber and other raw materials were assembled for transportation to the coast, for shipping to the metropolis.

To cap all these deficient socio-economic bases for development, colonial rule also left the Third World countries with potential sources of political instability and social conflict. In their overriding concern with the exploitation wealth of the countries, and in their haste to carve up the continents to facilitate the plunder of these, the European imperialists had determined the areas of their control and jurisdiction with boundary lines, that ignored the cultural and tribal differences among the indigenous population. After their departure, the new governments in these countries found that Hausa and Ibo cannot be persuaded to live together in Nigeria; that Jew and Arab will violently dispute ownership of Palestine and the Holy Lands; that Indians and Pakistanis will fight an endless war over Tashkent; and most minority tribes and groups will not accept the rule of majority ones over them. The end result is evident in the numerous inter-group conflicts and inter-state wars that characterise the three continents.
The essence of the colonial legacy and its significance in the current North-South Dichotomy, have been observed by Samir Amin in the following terms,

"One can see how the reshaping of Africa into an externally oriented, dependent economy was carved into the very geography of the continent by coastal concentration and development and by the simultaneous impoverishment of the interior. The resulting massive immigration has in turn further accentuated regional disparities. Furthermore, political balkanization rooted in the process of unequal peripheral development, has created the conditions for smaller 'sub-imperialist unit' within a system which on the whole is independent." (11)

ii) The Role of International Institutions

The significance of Third World underdevelopment, as founded upon the colonial legacy, must also be viewed in the related condition of 'dependency'. In a sense, the domestic underdevelopment of the Third World countries, is neither an unnatural condition nor a permanent situation; it is a time-related phenomenon that is soluble in terms of the dynamism of the human praxis toward progress. Given this time-relativity of underdevelopment, the principal factors that account for the tendency towards the increasing poverty and economic insolvency of the majority of Third World countries today, must be sought in the role that the associated phenomenon of their 'international dependency' plays. It is my opinion that the deterioration in the socio-economic circumstances of these countries, is to a great extent, a function of their dependency (itself an outgrowth of their underdevelopment) on external elements, for the mitigation of their circumstances. This dependency leaves them vulnerable to the manipulation of their decision-making, and their further
exploitation, by the external elements.

In other words, the Southern countries are caught up in a vicious circle of exploitation and underdevelopment which, in turn, create their dependency and thus, make them vulnerable to further exploitation. The whole phenomena is not a mere process of systemic dynamics. On the contrary, it is a consciously class-co-ordinated process, although the level of consciousness differs, relative to the various national elites and ruling classes whose motives, vested interests and activities provide the framework within which, the North-South Dichotomy persists. That is, the comprador classes and indigenous elites in the peripheral South may consciously carry out their exploitative activities, without necessarily appreciating the fact that the maintenance of their vested interests by these means, form part of the global network of capitalists exploitation, and that they themselves are being exploited by more powerful capitalists. On the other hand, the ruling-classes in the North are very much aware of the importance of the national networks of minority-elite exploitation of the masses, to the global system of capitalists exploitation and accumulation (since they are the architects and custodians of the system), and thus, consciously promote the conditions that enhance the continuity of the whole system. Thus, what is involved is a chain of production-accumulation networks linking into a hierarchy of exploitation - some countries are more developed and affluent than others; some are more poor and underdeveloped than others; and some social groups or individuals are more exploited than others.

The above scenario is not a mere theoretical conception, and can be demonstrated empirically via the exposition of the patterns of Southern dependency and the consequences flowing from the general Northern response to such dependency. What must be noted is that, in the Southern dependency,
the catalyst of the international division of labour determining the
core-periphery processes of North and South respectively, is definitely
not that of free international trade with equitable and mutual gains for all.
The principle of free trade has long been abandoned by the Northern
countries, in terms of their erection of protective barriers against
Southern exports which compete with the products of their domestic
industries. They have also ignored the doctrine of 'comparative costs
advantage of production', by engaging in the production of substitutes for
goods in which they lack the necessary factor endowments. With the
exception of some few natural products like oil, metal ores, timber and
tropical foodstuffs of which, greater concentration in the South provides
the LDCs with a modicum of leverage in the world commodity markets, the
Northern dependency on the South for most raw materials, is rapidly
decaying. This is evinced in the fact that the Northerners are each
others best trading partners; it is also evident in the massive trade
imbalances between North and South. According to the Trade and Develop-
ment Report for 1981 (TDR 81) of UNCTAD, the total balance of trade
deficit accumulated by the non-oil exporting LDCs amounted to U.S.$66.6
billion in 1979; in 1965 this stood at U.S.$63 billion. The Report
further reveals some startling statistics of the deteriorating circum-
stances of the non-oil exporting LDCs, which should provide the back-
ground of understanding of the real significance of the Southern
international dependency. In 1980, the outstanding foreign debt of these
countries totalled U.S. $301.3 billion; this increased to the cumulative
total of U.S. $436.9 billion in 1981, and the projected total for 1990 is
U.S. $999.8 billion. The current account or balance of payment deficits
of these countries stood at U.S. $78 billion in 1981, an increase by
57 percent from the 1980 figure of U.S. $45 billion. TDR 81 notes that
these financial problems of the LDCs result from the impact of
deteriorating terms of trade and oil price-increases, high interest
Payments on credits, profit remittances by TNCs from their investments in the South, and mounting costs of technological dependency. In 1980 such interest payments and profit remittances represented U.S. $34 billion of capital drainage from the South. At the end of 1981 this figure had risen to U.S. $44 billion, representing 28 percent of total Third World export earnings for the whole of 1981. The conclusion of TDR 81 is that, the bleak outlook for Third World development, deriving from the current state of affairs, is to a great extent the consequence of the adoption of development model that ties the hopes for Southern economic growth to the external environment - i.e. on the ability of the OECD countries to achieve growth on a sustained basis. The Report states:

"Consequently, the measures proposed in these respects have been of a reformist character. Commodity agreements, the generalised system of preferences, codes of conduct and the like (linear conferences, technological transfers, restrictive business practices), compensatory balance of payments financing and the ODA target do not challenge the foundations of the international economic system centred on the Bretton Woods agreements and the GATT. In fact, it may be argued that such measures serve to strengthen the functioning of the present system."

The Manipulation of Third World Dependency Within 'Bretton Woods'

Increased balance of payments deficits, energy costs and the drainage of export earnings in the servicing of national foreign debts, all place the majority of Third World countries in the dilemma of either having to borrow more or to curb economic growth. High interests rates and previous debt burdens compound the dilemma, with the ultimate effect that these countries must rely on external elements for the satisfaction of even their food needs. 'Beggars have no choice', and
'one does not look a gift horse in the mouth'. But when it comes to the question of charity that not only provides considerable profit for the donor, but also involves a threat to the health and life of the beneficiary, then that act of charity must be seriously questioned. On the 28th April 1981, Mr Claude Cheysson (E.E.C. Commissioner for Development Policy) confirmed at the E.E.C. Development Ministers meeting in Luxemborg, what had been suspected for some time — that rotten food is deliberately shipped as foreign aid to the Third World countries, by some European firms holding E.E.C. contracts for the supply of such food aid. The fraud, it was revealed, involved mixing of cheap animal feed in wheat deliveries, infected food caused by packaging in dirty and unhygienic conditions, and quantities which fell very short of actual amounts paid for. In 1979 the EEC had to replace two shiploads of rice (8,000 tonnes) sent to South Vietnamese refugees, because of infection. That same year, EEC Auditors found evidence of fraud in the deliveries of food made by several European firms (INTRISI of Italy, EURICO the Italian subsidiary of the Rotterdam-based EURYZA company, and others in France, Belgium, etc.), to India, Egypt, Rwanda, Niger, Upper Volta, Cape Verde, Zambia, South Yemen, the Comores and Senegal. (12).

International 'food aid' is but a tip of the iceberg of the whole phenomenon of AID that really involves the enrichment of the capitalists, rather than mitigate the circumstances of the Third World poor. What must be understood about 'international aid' is that, the bulk of the financial, technical and material flows from North to South is not 'gift' or grant as such, but the borrowing of capital, technical equipment and expertise and armaments by the Southern countries, at concessional rates of interest. In most cases, aid flows turn out to be detrimental to the welfare, economic growth and development of the recipients, especially when they
lead to the co-optation of the decision-making of the latter by the donors. In general, they provide additional means of exploitation and profit making, for both the TNCs and their client-classes (comprador bourgeoisie) in the South.

Financial Credits

In general, the international sources of financial assistance to the South are those of the International Monetary Fund (IMF), the World Bank (IBRD), the official credit of the Northern industrial countries (plus OPEC) under the U.N. Official Development Assistance (ODA) scheme, and the private credit of the international commercial banks (TNBs) in the Eurocurrency market. At the level of International Institutional credit, the World Bank has the responsibility of fostering development projects in the South (a function that dates from the IBRD's role in European post-war reconstruction, established at the 1945 Bretton Woods conference of the Allied Powers), and related to this, the financing of commercial and business enterprises in the South. The IMF, on the other hand, finances the 'balance-of-payments deficits' of all member countries, under condition of chronic imbalances.

The whole of the World Bank's credit scheme is based on the formula of 'share holding' participation of national governments, in the Bank's borrowing and lending operations. Member governments provide the Bank's capital stock, in the form of cash deposits and guarantees (callable capital), which provide the Bank with the collateral to borrow funds on the international private capital market (from the TNBs). These funds are then lent to applicant governments, for the financing of specific projects approved by the Bank. The arrangement is beneficial to the member countries in that, the 'governmental guarantees' enable the Bank to obtain the best credit terms from the TNBs, which in turn, enable the Bank to lend to the
state borrowers on more favourable terms than the latter could obtain directly from the TNBs. In practice, however, the World Bank's funding activities have tended to be very discriminatory among applicants, and most Third World applications have been turned down on grounds that indicate the ideological biases of the executives of the Bank. In this context, the political interests of the United States of America tend to be the most decisive factor, especially as that country is the dominant shareholder and major contributor to the Bank's capital stock. Cases of the Bank's refusal to finance a project, on grounds that clearly indicate the involvement of U.S. interests and influence, include the rejection of the Egyptian application for assistance in the construction of the Aswan Dam during the Nasser regime; the rapid decline in the Bank's rate of credit to Chile during the administration of Allende; and the rejection of Grenada's application for funding of an airstrip to facilitate its 'tourist trade'. In the Grenadian case, it was clearly United States' strategic objection that, the neo-socialist regime of Grenada could make the airstrip available to the military use of the Soviet Union, that influenced the Bank's decision. Where the Bank's assistance has been forthcoming, it has generally been attended by the 'co-optation of the decision-making process of the beneficiary government and, the external interference in its social welfare and development plans'. (13).

The criteria upon which the World Bank's assistance on development projects is based, do not give consideration to the social welfare of the population of the applicant country. To recall the Grenadian case, the Bank's decision meant that the people of Grenada were denied the opportunity to develop their country's infrastructure which, in the light of that country's basically agricultural economy, would have provided additional source of national income in the form of 'tourist revenue'. Another aspect of the Bank's funding practices that fails to benefit the mass populations of the Third World is that, its IFC (International Finance Co-operation) scheme, is available to only the private business interests
of the applicant country, yet there is no proper Bank machinery for
the monitoring of the uses to which such credit is put. And Third
World private entrepreneurs are notorious for the misuse of credit
(see case study of Ghana). The Bank's 'project:loans' on the other
hand, have conditions attached to them which give the Western
capitalists the opportunity to make profits out of them, at the same
time that the value of the loan is considerably reduced for the Third
World borrower. These happen in the following senses. One condition
of the 'project loan' is that purchases of technical equipment and
services needed for the project in question, must be made in producer
countries who are members of the Bank. Given the competitive marketing
advantages that Western firms have over Third World firms, this is
tantamount to the 'decreed' that the borrower spends part of the loan in
a manner that would profit already privileged countries and elements
in the world. It is obvious that this condition cannot be in the interest
of the Southern borrower because, it does not allow the advantage of
competitive prices, at the same time the borrower is denied the opportunity
to lower costs of freight by making purchases in areas of close geo-
ographical proximity.

The International Development Association (IDA) programme of the
Bank, under which the ODA of the industrial and OPEC countries are disbursed,
has also been found to be inadequately responsive to the needs of the Third
World. In the first place, DAC donors, in particular the Northern countries,
(including the East Europeans) have not only failed to meet their target
disbursement of 0.7% of their GNP, but in fact have been cutting back on
the minimal budget they normally provide. With the exception of Norway,
Sweden and the Netherlands, the ratio of ODA to GNP disbursed by the
Western countries as a whole, fell from 0.34% in 1971 to 0.30% in 1977.
In real terms, this represents a decline by 18% (from 29% to 11%) in long-term development financing. Secondly, the ODA has become an ideological weapon of coercion that the United States now employs, in its anti-Communist crusade. To ensure that the 'good guy' LDCs (those who support the U.S. in international power politics or are its puppet regimes), get the assistance, at the expense of the 'bad guy' LDCs, the Reagan administration reduced its ODA budget for 1982 and re-channeled the funds ($387 million) to its South American satellites. This act resulted in the reduction of the funds budgeted for the 1982 IDA, from 0.07% to 0.20%.

Finally, the World Bank's staffing cannot be said to be representative of its member countries, especially at the level of the upper hierarchy of its bureaucracy. With minor exceptions, the top executive positions in the Bank's various organs have consistently been dominated by personnel coming from West Europe and North America. Ever since its establishment, the Bank's Presidency has been held by Northern citizens whose decisions are bound to be influenced by their Western social, economic and cultural outlooks, if not by Western-oriented political ideologies. Thus, even during the liberal-Presidency of Robert MacNamara, the overriding consideration in the Bank's lending policy was that, loans must be spent in ways complementary with the interests of those who make the greater contributions to the Bank's capital stock - namely the Western countries.

So far as the new President (Tom Claussen) is concerned, the Bank should cease to be a source of cheap credit for the Third World countries; a view that reflects the policy stance of President Reagan of the United States of America. Third World nationals who occupy influential positions in the Bank's bureaucracy, do not really make any difference to this state of affairs. Given their Western education and
culture, their class positions and interests tend to be the same as their 'white counterparts!', and they are more likely to see the developmental prospects of the Third World in terms of bourgeois conventional wisdom. (see case study of Ghana).

The other institution of financial assistance to the Third World - IMF - has also been found to deal with the problems of these countries with policies that hardly enhance their development. In the IMF mandate (under the Bretton Woods arrangements), all member countries are obliged to support the 'exchange value' of their national currencies, until chronic balance-of-payment deficits force them to resort to devaluation or other fiscal measures, to regain competitiveness in the world monetary and commodity markets. In addition, they must all accept the principle of 'unrestricted convertibility' of at least the major currencies in the world, for current transactions. Throughout the 1950s and 1960s, these arrangements worked satisfactorily (for the industrial countries mostly), to encourage their extension to cover capital transfers. Then came the 1967 and 1969 recessions, precipitating another round of 'capitalist crises' and the breakdown of the 'exchange rate parity system', as organised by the IMF. In the fight for survival amongst the core capitalist countries, the United States as a leading custodian of the Bretton Woods regime, not only abandoned the 'gold standard' completely, but by the Nixon Doctrine, refused to allow the 'dollar' to continue its function as the leading reserve currency of the world. The intra-core struggle for 'national economic solvency' also involved competitive restrictions on current transactions, interference with border taxes, and the introduction of capital controls; at the same time that inflation (blamed on rising prices of raw materials) was shifted to the vulnerable Third World countries, in the form of increased prices of manufactured goods and devalued national currencies of the North. The substitution
of 'floating exchange rates' (adopted by some European countries, e.g. Britain), added to the headaches of the LDCs who, given the softness of their national currencies, must peg them to one or a basket of the major world exchange currencies, with the effect that they must always suffer the shock waves which constantly hit the major currencies, without the necessary 'shock absorbers' of productive competitiveness in the world economy.

Against the background of these developments in the international monetary system, the IMF became a very indispensable lifeline for the LDCs, for due to the considerable instabilities in the exchange rate system, recessions and inflations, the foreign exchange earnings of these countries decreased sharply, at the same time their import bills and other financial liabilities were increasing. The IMF's response to these growing problems of the LDCs has, however, generally been made in terms of 'harsh conditionality of credit'. Generally, a country's access to IMF funds to finance balance of payments deficits, is the right to draw upon quota deposits constituting the Fund's capital stock - SDR (Special Drawing Right). The utilization of the SDR is subject to the fulfilment of conditions prescribed by the Fund, and these conditions vary in accordance with the size of the drawing relative to the quota held by the drawing country. Three of these conditions are worthy of note here.

i) The applicant's acceptance of the recommendation to restore the balance between aggregate demand for, and aggregate supply of resources, by means of monetary and fiscal measures.

ii) The willingness to make changes in exchange rates, interest rates and prices and incomes, where the balance of payments problem is viewed to be a function of distortions in the price structure.
iii) Acceptance of the possibility of restrictions on applicant's accumulation of new debts.

Acceptance of these conditions is viewed by the IMF as a demonstration of capacity to repay the loan within the stipulated period of 3 to 5 years. On the whole, Third World countries have been very reluctant to use the IMF as the source of cure of their balance of payments problems. In 1976, over one-third of the combined current account deficit of the non-oil producing LDCs was covered by funds borrowed on the Eurocurrency market; the IMF funded only 10% of this liability. At present, 50% of LDC borrowings come from the Eurocurrency market. The major reason for this is the harsh credit conditions of the IMF, in the following senses. Firstly, access to IMF funds is not only constrained quantitatively by the size of the borrowers quota (and LDCs have smaller quotas), but also by the condition that borrower accepts IMF policy guidelines which, in most cases tend to be counter-productive, relative to the economic plans of the country in question. In their most universal and non-discriminatory application, IMF financing conditions involve some measure of domestic aggregate demand deflation, devaluation of the national currency, and trade and payments liberalization. In terms of the circumstances of most LDCs, these three broad categories of policy guidelines are very unsympathetic. Third World populations are very dependent upon the 'public expenditure' of the central government, for incomes and educational, health and other welfare services, and in most cases, for food as subsidised by the state. Demand deflation is but a jargon for the policy of withdrawal of such welfare provisions.

Secondly, the IMF tends to show particular preference for deflationary policies, on grounds that balance of payments deficits result from expansionary domestic monetary and fiscal policies, especially in the public sector of the economy. This conception has been found to lack any
empirical foundation. According to UNCTAD V, it is not necessarily domestic financial excesses which bring about balance of payments problems for the LDCs; rather it is:-

i) Externally generated increases in import prices and decreases in export prices.

ii) Decreases in the volume of LDC exports which, result partly from the global recession, and partly from Northern trade protectionist policies.

iii) The structured forces of the Capitalist world economy which create trade surpluses for the Northern countries and deficits for the Southerners. Under these conditions, the IMF's demand for either trade and payments liberalization or devaluation of the borrower's currency, tends to impose unfair and economically detrimental conditions. For a Third World country exporting mainly primary commodities which, have very low elasticities of price and demand, the devaluation of the national currency is often an invitation to national bankruptcy. The devaluation will not lead to an increase in the volume of exports, given the facts of Northern control of world commodity prices and the restrictive practices against Southern exports. What devaluation generally implies for Third World countries is the sale of their products at cheaper prices (hence unfavourable rates of exchange with Northern products). In other words, devaluation leads to a decrease in revenue and balance of payments deficits, as a result of adverse terms of trade and low foreign exchange earnings.

In addition to the disadvantage of 'harsh conditionality of credit', IMF funding of the financial problems of the Third World countries tends to be both quantitatively and qualitatively, very inadequate to the needs of these countries. Even if the Third World countries could utilize their full SDRs in the IMF's Ordinary Resources (a very unlikely situation), the amount of finance generated
would be insufficient to deal with the problems confronting them in the world economy, because of the considerable 'price shortfalls' that their products suffer in the world market. On the average, one-third of the major export commodities of the LDCs are affected by price shortfalls, during the course of every four years, at the very conservative estimate. For instance, in 1975 a tonne of cocoa could purchase 147.52 barrels of oil or cover debt-interest payments to the value of U.S.$23,104. In May 1981, the corresponding world market value of cocoa had fallen to U.S. $9,676 or 68.12 barrels of oil. Price shortfalls at this rate, represent a 50% deficit in one year's export earnings. In addition, credits from private banks tend to decrease during periods of anticipated slumps. In this case, the LDC intent on stabilizing the level of domestic money income through the cycle, would have to hold exchange reserves equivalent to at least 75% of approximately three months export earnings, and must in addition, receive a 50% subsidy of the same years earnings from the IMF. The maximum credit that has normally been available for this purpose, prior to the 7th Review of IMF quotas, was only 20%. Then again, the Third World borrower must compete with the developed country borrower, under conditions of IMF discriminatory and inconsistent lending policies. For instance, surplus countries are given longer periods to adjust to structural surpluses, but deficit countries are forced to adjust immediately. Secondly, and more important, the conditions tend to be relaxed in the case of the developed country borrower, as was the case of the 1967 British application. The conditions imposed on Britain contained no provision for the phasing of the finance, in terms of payment in installments subject to satisfactory performance of the British economy (the policy normally applied to the Third World cases). Moreover, there were fewer credit/monetary ceilings in the British drawing, despite the fact that the drawing was in the highest credit tranche.
In sum, these are some of the negative aspects of the funding activities of the international institutions established under Bretton Woods, which lead to the perpetuation of the underdeveloped and dependency conditions of the Third World countries. In the end, these countries are forced to rely upon the private international banks for assistance, but at very high rates of interest.

iii) Third World Capital/Technological Dependency, and the Exploitative Activities of the Transnational Corporations.

Crippling foreign debt burdens, increasing debt-interest payments (which exhaust export revenues), falling prices of primary products relative to rising prices of manufactures and oil, lack of liquidity for international transactions, and the negligible financial assistance from the international monetary institutions, have all influenced the vicious circle of Third World underdevelopment, dependency and general poverty. In the end, most of these countries lack the economic capacity to function as viable political communities, without the support of the international community. The significance of the structured relations between North and South in the modern world economy of Capitalism, is not merely the development and reinforcement of Southern underdevelopment and continuous dependency; it must also be seen in the fact that, the agricultural economy and primary production are increasingly ceasing to be viable means of economic growth and development. Given the disadvantages that operate for the economies of the Third World countries in the world economy, in trade with both East and West, and in the global financial and investment relations, the Southern countries have now an imperative need to look for an alternative path - industrialization - to development.

In the industrial field, however, the Third World countries are confronted with similar insurmountable obstacles which thwart their efforts and prospects. The problems involved here arise, not because the environment of the global competitive
.market in industrial or manufactured goods has pre-emptive effects for late-starters. More than this, they are problems deriving from the capital/technological gap between North and South. It is the Southern lack of the necessary requirements of industrialization, and the relative over-concentration of these in the North, that account for the former's inability to break into the 'industrial club'. The LDCs are forced to rely upon external transfers of capital, technological equipment, and technological expertise and managerial abilities; and these generally come with attendant forces and activities which, in the long-run, turn out to be reinforcement factors of their under-development and dependency.

Broadly, three main options are open to the industrializing LDC. One is the strategy of state-controlled public enterprises and projects. The other is the process of private enterprise; and the third is a mixture of both. In the light of the inability of the average LDC to generate enough surplus from primary production to sustain its growing population, let alone acquire the foreign exchange for the procurement of the necessary resources of industrialization, the 'public enterprise' approach becomes a non-starter (unless considerable changes take place in the global economy to enhance the economic growth prospects of the primary producing economies). This leaves the alternatives of the purely private or mixed models. The adoption of any one of the two, must include the consideration of the participation of the Transnational Corporation — the principle agent of international capitalism. The TNC is an indispensable entity in the Southern industrialization drive, because of its unrivalled capacity for the mobilization of large-scale financial resources and, the deployment of specialized technological and managerial capabilities. Moreover, the direct foreign investment of the TNC constitutes for host countries, an interest-free flow of capital and technological resources of industrialization, at
least in theory. This strategic role that the TNC plays in Southern economic growth and development via industrialization, implies another dimension of the North-South Dichotomy in which, the Southern dependency increases in proportion to the degree of Northern monopolization of global capital and technology. And as the empirical facts reveal, this dimension of the North-South Dichotomy engenders a production-accumulation relationship between TNC and LDC, which mirrors the wider global exploitation of the mass of underprivileged mankind by a minority of ruling classes.

The TNC has a genesis that dates from the dawn of the Industrial Revolution. English 'merchant capital', and later the oil consortiums like Standard Oil of New Jersey, were all organized with multinational interests and subsidiaries. The expansion of the TNC phenomenon, however, was a post-1945 process, led by American capital. Amongst the instrumental factors may be mentioned the post-war reconstruction of Europe, international trade liberalization, and the developments in world transportation and communication networks. The Marshall Plan of 1948, under which U.S. Aid was dispensed toward the reconstruction of Europe, the convertibility of the dollar which facilitated international financial transactions, and thus, trade liberalization, and the developments like the jet-air transport, satellite communication and computerized information storage and retrieving facilities, all gave impetus to the internationalization of American capital. Thus, between the launching of the Marshall Plan in 1948 and the formation of the European Economic Community (EEC) in 1958, American capitalists enjoyed the unique position of having the capacity to export, and the resources for foreign expansion. And assistance was readily available from the U.S. Government, in the globalization drive. In the Government's export-drive policy, U.S. companies with foreign operations were granted tax concessions on profits repatriated from abroad. Direct foreign
investment of the TNCs in the South represented 25% of the world total, and throughout the 1970s, the annual flow of such investment to the South averaged U.S. $8 billion or 12% of the world's total flow of capital to the South.

The factors which compelled the expansion of Northern capital to the South, were the traditional ones associated with the crises of capitalism— inflation, economic recessions, unemployment, falling rates of profits in the capitalists' domestic economies, and intense competition and protectionism amongst themselves. Inevitably, the companies with the capacity to seek new areas of low-cost production and high profit returns, found fertile climates in the South. In the beginning, the TNC investments in the South were concentrated in the mining and extracting industries, plantation cultivation, and the exportation of raw materials for processing in the plants owned by the TNCs, abroad. In recent times, however, attempts by host governments to control the operations of the TNCs, so as to realise greater benefits from their investments, have forced these investments to move into 'import substitution' enterprises, in the production of consumer goods like soap, matches, cigarettes, shoes, etc.; semi-manufacturers like electrical components and parts of high-technology goods; the assembling of motor cars, and the production of some capital equipment. In some cases, such production is carried out in terms of 'joint-ventures' in which, the host government forces the TNC to accept local partnership (private or public) or risk the nationalization of the enterprise.

On the other hand, the attempts by Third World governments to control the TNCs, have not significantly affected the geographical and sectoral distribution of the latter's investments in the South. Various research findings and reports from the International Commission (example, the 1980 Brandt Commission and UNCTAD TDR 81) confirm that, these investments
generally go to countries which offer political and economic climates favourable to TNC profit-making interests. Countries with repressive regimes (Republic of South Africa, Brazil, Chile, Zaire and others) which have eliminated opposition or successfully repressed countervailing power, are very attractive to the TNCs. Likewise, those offering economic concessions like tax holidays, facilities for profit and income repatriation, credit from local banks, and unlimited and unrestricted supply of cheap labour, energy and raw materials, are the principal targets of TNC direct foreign investment. The sectoral distribution of TNC investments in the world shows a skewed curve, favouring areas and products likely to yield greater profits. Thus, 20% of total TNC investment capital in the South is concentrated in the oil and mineral exploration industries. On the whole, the disadvantages of the TNC (as an agent of economic growth and development for the Third World countries), have been found to outweigh the advantages, in the following senses.

**Resources Transfer Effects.**

In theory the TNC has the potential to make positive contributions to the industrialization of the LDC, by virtue of its control over vast capital, technological and managerial resources. In practice, however, only the flows of technology and managerial expertise can be credited to the TNCs presence in the host country. A very large proportion of TNC capital investment in the South is raised locally, from local bank credits - a preferential arrangement which, most often, is not enjoyed by the indigenous entrepreneurs of the host country. (16). Given the sectoral direction of TNC investment in the host economy (mining and other extractive industries), this implies the diversion of domestic savings and national resources into areas of production less beneficial to the economic growth and developmental needs of the host country. Moreover, the investment tends to contribute to social inequalities in that country, especially where the products in question are capital intensive - thus, failure to utilize the factor endowments
of the country - labour) or luxuries that only the affluent can afford.

The purely financial investments of the TNC are generally found in the tax-havens of Bermuda, Barbados, Cayman Islands, Panama, and the Netherlands Antilles. The part of TNC investment capital that goes into the production of commodities, is found mainly in countries with high concentration of mineral resources and plantation cultivation. In effect, only 15 Southern countries account for 70% of total TNC direct foreign investment, and Brazil alone accounts for 20% of this total. (14) It is also significant to note that, the countries receiving the bulk of TNC investment do not necessarily profit by them. On the one hand, the realization of gains from TNC technological transfers depend upon the terms of transfer from parent company to subsidiary, and the royalties and license fees which become incumbent upon the subsidiary, imply a host country liability which reduce the benefits from the transfer. In the second place, while the marginal cost of developing an alternative technology is so high that it is economical for the host country to depend upon the TNC supply, this must, however, be set against the fact that, most of the technology transfered from North to South turn out to be highly unsuitable to the factor endowments of the host economy, and hence, counter-productive to its growth and development.

Trade and Balance of Payments Effects

Theoretically TNC investments improve the balance of payments situation of the host LDC in that; it saves the latter the expenditure or foreign exchange that would have been spent on the importation of technology and other resources of industrialization. In reality, however, the TNC investment involves organizational practices in which, the outflow of dividends, royalties, licensing fees, interest payments and administrative charges, paid to external elements, in particular the parent company,
constitute a drainage of capital from the host country. Most significant in this outflow of capital, are the effects of transfer pricing, exchange rate speculation and inter-firm trading, of the TNC set-up. Over 30% of total world trade is conducted in the form of intra-company trade of the TNCs, and in these transactions the companies operate transfer pricing, in which, their goods are priced differently from the prices that would normally obtain if trade in those goods was conducted with independent parties. Transfer-pricing also implies the shifting of profits from high tax to low tax countries in which TNC subsidiaries are located. Further, it involves the conscious avoidance of exchange and price controls and, customs duties of the host government, thus depriving the host country of these important sources of revenue. The general effects for the LDC is the creation of balance of payments deficits in both its current and capital accounts. The test-case of Mexico (not necessarily representative of the whole Third World), must be noted here. In 1977 the TNCs in Mexico imported a total of U.S. $1.5 billion worth of goods into the country and exported U.S. $940 million worth out of it. The trade deficit of U.S. $560 million was increased to $760 million by the net service payment outflows made by the TNC. If the latter's capital inflows are deducted from the deficit, the Mexican economy still would have been left with a net deficit of $520 million. In other words, the TNCs were responsible for over one-third of the balance-of-payments deficit that faced Mexico in 1977.

Finally, with the collapse of the Bretton Wood's system of fixed exchange rates, the TNCs have found it profitable to shift their liquid assets around the world, in times of monetary instability. In the process, LDCs whose currencies are normally vulnerable to speculative activities, suffer the destabilizing effects — balance of payments deficits.

**Economic Growth Effects.**

Commodity production and marketing represent the fundamental means
of income for the majority of LDCs. Incidentally, they receive only a small fraction of the revenues which accrue from the production and sale of their raw materials and other resources in the world market. The main reason for this is the intervention of the TNC between the LDC and the external consumer. The foreign investment decisions and activities of the TNCs have led to the entrenchment of the Third World countries, as mainly producers and exporters of raw materials, mostly in unprocessed forms, notwithstanding the efforts of the LDCs to change this pattern of production.

Overall, only 30% of the Third World's total production of raw materials is processed locally; the remainder being processed abroad in the vertically integrated plants of the TNCs. Though the advantages of low energy, labour and transportation costs could easily be realised in the Southern countries, if the TNCs were keen in changing the location of their processing plants, their interest in short-term profits and, their desire to avoid the risk of 'governmental successions' that might affect their established vested interests, sway their 'processing decisions' in favour of the North where adequate infrastructures already exist and, the bulk of the consumer market is in close proximity.

Among the factors that enable the TNC to ward-off LDC pressure for local processing of raw materials may be mentioned, the immense capital and technological resources at the former's disposal, plus its control of both ends (production and marketing) of the market for the product in question. At the production end, TNC control is exemplified in, for instance, the fact that 75% of the world's total tea production and processing is in the hands of 5 corporations; 3 companies dominate the world's production and export of bananas; 6 companies have monopolized the mining of manganese-ore in the non-Socialist sector of the world economy; 65% of bauxite mining, 66% of alumina extraction and 54% of the aluminium
products processed from this oxide, are controlled by 6 TNCs (see case study of Ghana).

At the marketing end of LDC products, a similar pattern of TNC monopoly is evident in such commodities as tea, coffee, sugar, metals, rubber, chocolate products, etc. Evidence of the revenue that the LDCs are deprived of, as a result of this monopolization of the processing and marketing of their products, may be furnished from the example of the world trade in timber and wood products. The significant factor about the processing of any raw material is that, each time the product passes through a processing stage, its market-value increases tremendously. In the typical case of timber, this is as true for the simple sawing of logs into semi-processed lumber, as it is for the production of furniture parts.

In the world market, the unprocessed log fetched U.S. $96.4 per cubic feet in October 1981, the same size of wood in the form of semi-processed lumber was priced at $265.4 while, furniture parts were priced at $786.33. Translated into the export earnings and losses of, say Ghana (one of the major world producers of timber), we find that, during the period of January to December, 1979, the country exported nearly 2½ times as many timber logs as lumber logs, yet revenue from the lumber logs exceeded that from the timber logs by $3 million. Now, it happens that even if the LDCs can wrestle the production, processing and marketing of their products from the TNCs, they still must contend with the protectionist policies of the Northern countries. In the timber market, the EEC for instance, has erected tariffs and other trade barriers against the processed wood exports of the Third World countries. The EEC more or less bribes the ACP (African, Carribean and Pacific affiliate of the European Community under the Lome Convention), to export only unprocessed timber.

Socio-Economic Development Effects

Where loss of revenue and employment opportunities for the host
community, are the obvious effects of the TNC control over the production and sale of Third World raw materials, the consequences deriving from the 'manufacturing investments' of foreign capital, can be summarized in the concepts of malindustrialization and maldevelopment. The first thing to note about the TNC-controlled manufacturing industries is that, they tend to be very 'capital intensive' and oriented to the production of luxurious consumer goods. (15) This results from the oligopolistic structure of the TNC - capital intensive production to realise the advantages of economies of scale, with advertising as the major 'sales strategy'. Thus, the foreign subsidiary also develops production and organisational structures parallel with those of the parent company. The end result is the reinforcement of socio-economic problems of the Third World country, in the following senses.

Malindustrialization results in terms of unemployment of the factor endowments of the host country. The structure of production demands high skills lacking in the host populations, and expatriates must therefore be employed to operate and manage the plants. Saudi Arabia is a typical example; the feverish industrialization programme launched throughout the 1970s by the Saudis, led to a considerable influx of European technicians, doctors, nurses, teachers, catering workers etc., and even labourers from the Asian countries. Where the LDC involved is not as richly endowed with 'petrol-dollar' revenues as the Saudis, the outflow of capital in repatriated incomes and profits of these migrant workers, could represent a considerable drainage of capital from the country. More than this, the goods produced do not necessarily benefit the community as a whole. The industry in question either exports its products (in which case, the host country's benefit from taxes imposed on the firm's profits, is not guaranteed, due to the latter's tax evasion and tax avoidance activities), or caters for the wants of the minority privileged classes of the country. (16)
Maldevelopment results from malindustrialization, in the forms of intensification of the urban-rural dichotomy, the widening of the material/cultural gap between the minority privileged and the majority under-privileged groups of the society, the creation of an urban-lumpen proletariat that increases social problems of housing, transportation, crime and delinquency, and the encouragement of economic malpractices like bribery, corruption and patronage. One characteristic feature of the conspiratorial-exploitative relationship between the local bourgeoisie and the TNC, is the system of patronage. Various economic and social project contracts are awarded by the host government's officials to the foreign company, on the basis of monetary 'kick-backs' or bribes often representing 10-20 percent of the value of the contract. The consequence is that the foreign company not only escapes accountability for 'shoddy work', but co-opts the country's decision-making process, since the bribed-officials would not allow the details of the contract to become public knowledge.

Other negative effects of TNC-local bourgeoisie relations, on the socio-economic development of the host country, have been summarised by Raúl Prebisch in the following statement,

"Transnational corporations have become increasingly linked in the periphery with a pattern of economic growth based on flagrant social inequalities. This pattern of growth is clearly in crisis, now aggravated by the centre's crisis of Capitalism. By virtue of such inequality, a privileged consumer society has evolved which imitates more and more the life styles of the industrial centres: a privileged consumer society at one extreme and an infra-consumption society at the other. Great social inequalities are rooted in the social structure, and even though transnational corporations have not created such inequalities, they contribute to their furtherance, because they
consciously foster imitation of consumption of the centres, aided by the rapid development of mass communication. The privileged consumer society is a conspicuous manifestation of that phenomenon by which the upper strata of the population appropriate and retain the fruits of the growing productivity of the system. There is here a considerable potential for capital accumulation which is instead wasted due to exaggerated consumption as well as to the siphoning of income of the periphery by the centres; in the latter process, transnational corporations play a predominant role ..... The failure to use the potential for capital accumulation is detrimental to the social integration of low-income strata which languish in a society of infra-consumption." (17)

iv) The East-West Ideological Conflict, Armaments Race and Third World Underdevelopment

Traditional International Theory tends to treat the ideological conflict between the Western-capitalist countries and the Eastern-socialists, as well as the military competition between them, as separate realms of world affairs from the political-economy of global capitalism. It is the basic contention of this present Thesis that, this conflict and resultant arms-race and arms proliferation, constitute not only an integral part of the world economy of Capitalism, but also an objective condition of Third World underdevelopment. The East-West conflict began with the accession to power of the Bolshevik-Communist government in Russia in 1917, whose existence and international ideology constituted a threat to the 'social orders' of the 'free-Western' world. Since then, it has manifested itself into a permanent 'Cold War', sometimes suspended when the interests of the antagonists converge (as was the case in the Second World War against Fascism). It has also showed signs of abatement, in the short-lived 'detente overtures' of the United States and the Soviet Union (as witnessed in SALT 1
and II or the series of Strategic Arms Limitation Treaty negotiations). Most of the time, however, the conflict has threatened to erupt into a 'hot, nuclear Third World War', via such world conflicts, wars and tensions as Korean War, Cuban Missile Crisis, the Vietnamese War, Middle East conflict, and the Soviet Invasion of Afghanistan. One of the effects of the East-West ideological conflict is the creation of a 'permanent war economy' within both sectors of the Iron Curtain, with socio-economic and political manifestations of which repercussions are felt in:

i) the socio-economic inequalities among mankind, at both domestic and global levels.

ii) the reinforcement of the North-South Dichotomy in all its various aspects.

Within the domestic system of the East and West antagonists, the 'permanent war economy' results from the mutual paranoia of imminent nuclear attack from each side. The consequence is the fostering of a militarism in which, arms-stockpiling by both sides is defended in terms of the strategy of deterrence. Accompanying this is the generation of militaristic attitudes in which, an orientation towards military means of coercion in the handling of conflicts and, for the achievement of political and economic objectives, define the policies and relations of the 'super powers', with one another, and with the external world. Both phenomena find expression in the concept of the military-industrial complex.

First, the complex has become a major means of economic solvency for the crises-ridden economies of both East and West. The complex is profitable to the Western private corporations involved in the production and sales of armaments, while the revenue raised from the sale of arms to foreign countries (especially the Third World countries) help offset the balance-of-payments deficits of the producing country. At the same time, it creates employment
for the national population in the mature economies that have reached
the point of stagnation.

Secondly, and at the level of class relations, the complex has
socio-economic and political power spin-offs in that, it creates not
only an additional source of income for the bourgeoisie, but also
enhances the latter's decision-making influence, in the modern
bureaucracy of security-specialists (military personnel, industrialists,
intellectuals and politicians) who retain vested interests in armaments
production and proliferation on a global scale. Thirdly, it encourages
the development and/or extension of the prerogatives and authority of
national para-military organisations (riot police, national guard,
anti-terrorist groups, etc.) of state repression and aggression. The
totalitarian regimes in the East, eager to shore up internal support for
their policies and to silence opposition, are very notable in this
dimension of the military-industrial complex. In the West also, it aids
the state's repression of minority 'civil rights' agitation, and the
suppression of 'working class' militant demands for socio-economic
equality.

Global militarism, emanating from the East-West conflict and arms-
race, proliferates to the South via the agencies of official and private
arms sales to the Southern governments. What results from this is the
creation of an atmosphere of domestic political and social instability
in which, the military establishments of the client countries not only
engage in the rampant unconstitutional overthrow of governments, but
arrogate to themselves the custodianship of the national political system,
the process of succession, and the morality of the society. Between 1971
and 1978, there were no fewer than 223 successful military coup d'\textsc{its}
topping governments, and 238 unsuccessful attempts, in Africa, Asia and
Latin America. Obviously, such political instabilities do not augur well
for the socioeconomic development of these countries, for as soon as one administration has launched its economic plans, it is overthrown and the plans scrapped; yet the policies and activities of the usurping regime hardly ever departs in any significant sense, from those of the toppled regime. Virtually all the military juntas which have ruled (or rule) the Third World countries are composed of personnel who are as corrupt and incompetent, as the political elements they forcibly removed from power. The members of these juntas usually end up enriching themselves, and leaving the country bankrupt.

Secondly, the arms transfers from North to South represent not only a drainage and wastage of the latter's resources, but also the life-line for despotic, incompetent and unpopular governments of the Southern countries. Very few are the political administrations in the Third World today (military or civilian) that do not rely upon the military support of external elements to keep themselves in power. And the longer they stay in power, the more wasted are the resources of these countries, the greater the intensification of the socioeconomic problems of the countries, at home and abroad. The world's total expenditure on armaments now runs at the annual rate of U.S. $410,000 million (roughly $1 million per minute). This represents an increase of over 50% over the last two decades, and the Third World's share in the expenditure has risen from 4% in 1960 to 14% (1980 data). (18) Throughout the 1970s, the LDC doubled their military spending, at a rate of increase faster than the rate of growth of their GNPs, including the GNP of the OPEC. 45% of the Third World's military expenditure comes from the Middle East (an area of dynastic ruling-class regimes that spend heavily on armaments to perpetuate class inequalities); 27% from Asia (where American capitalist exploits and Soviet ideological adventurism have left a permanent situation of inter-state and inter-group conflicts); 14% from Latin America (where the United States still defends
the archaic Monroe Doctrine of her exclusive sphere of influence, with arms transfers to maintain neo-Fascist regimes) and 14% from Africa (the new theatre of international power politics and hegemonial conflicts).

The proliferation of armaments from North to South, whether in the form of the latter's own purchases, or in the form of Northern aid, also results in the creation of patron-client relationships between the Northern donor (or seller) and the Southern recipient (or buyer), with the following pay-offs which are detrimental to the material/cultural life of the mass Southern populations, but very beneficial to the ruling elites.

Firstly, the LDCs become sandwiched in the 'great power' hegemony conflict. The stakes are for the co-optation of Southern political and diplomatic independence, and the acquisition of Southern territories for advanced nuclear bases. Consequently, the South has not only lost its safety as a nuclear free zone, but is confronted with the danger of 'nuclear warfare' amongst its own member countries. Secondly, the patron-client relationship is detrimental to the unity and solidarity of the Southern countries, relative to their collective struggle against Northern neo-imperialism and economic exploitation. It creates intra-Southern competition for the achievement of national interests within the options offered by the structured world economy of Capitalism, and the acquisition of special favours from the core countries. In other words, it enhances the Northern strategy (particularly Western-capitalist) of divide and rule, which is envious in the current American policy of creating a South Atlantic Military Pact (mentioned earlier) and in Communist China's parochial nationalism in which, the attitude of 'an enemy of my enemy is my friend' adopted by Mao's successors, is based on the present Sino-American reapproachment and technological/armaments relationship. In the end, the exploited Third
World countries end up bickering among themselves; their inter-state conflicts and transborder disputes being intensified and perpetuated by the interference of foreign elements, who stand to gain.

Finally, the flow of arms to the South encourages hegemonial attitudes and policies among the various states. Typical examples are the Israeli policy of defending its 'biblical home' at the expense of the Palestinian Arabs, Colonel Ghadafi of Libya's belief that he has a moral duty and a religious mission to intervene in the internal affairs of neighbouring African countries, in the interest of the anti-imperialist struggle against the West, and apartheid South Africa's belief that its inhuman treatment of Blacks and non-white races in Southern African is morally justified and pragmatically permissible, relative to its anti-communist stance.
b) The Subjective Conditions of the North-South Dichotomy

The North-South Dichotomy exist, not only because there are objective historical and structural conditions of international-capitalists domination and exploitation of the mass of mankind, but also because the consciousness and responses of both exploiter and exploited to the existing state of affairs, have had little or no reformist impact on the world system of Capitalism. It has not been in the vested interests of the privileged elements to bring about changes in the system, for either the moralistic consideration that all humans deserve a decent standard of material/cultural life in a world that has the potential to make this possible, or the pragmatic consideration of world peace in a world of threatened nuclear Armageddon. And the underprivileged elements are too weak, in terms of 'class consciousness' and their capacity to effect such a change. Thus, it is the behaviour responses of the principal actors on the global theatre which, by either contributing to the persistence of the structured relations of the system, or failure to make any impression in the direction of change, that are considered here as the 'subjective conditions' of the North-South Dichotomy.

The operational definition of 'subjective conditions' given above, must be viewed as basically a convenient means of identification of subsequent developments, which have flowed from the historical and structural factor determinants of the parameters and relations of the world economy of Capitalism. Overall, four main interrelated phenomena may be identified to represent this concept of subjective conditions.

i. the failure of International Development Strategies (via the Agency of UNO) to bridge the income-gap between North and South and, to promote the economic growth and development of the Third World countries.
ii. The failure of Third World collective efforts at the restructuring of the world economic order, and the control of the TNCs.

iii. The roles played by the principal actors, collectively and individually in both the International Development Strategies and the demand for a New International Economic Order (NIEO).

iv. The 'nation-building' failures of the Third World leaderships, as a result of the political corruption and administrative incompetences of successive incumbents of power.

The first three phenomena are so interwined that they can be discussed under the theme of the North-South Dialogue. The fourth also relates closely with the other three, but its discussion is appropriately and conveniently served by the Case Study of Ghana.

The North-South Dialogue

Briefly, the North-South Dialogue represents the long-running series of negotiation between the LDCs and DCs, for the establishment of ways and means by which the underprivileged circumstances of the former can be changed or mitigated. Initially, the Dialogue found expression in the U.N. co-ordinated International Multilateral Aid and Development programmes, organised in terms of International Development Decades (1960–1970, 1971–1980, and 1981–1990). Each Development Decade embraced 'strategies of development for the Third World' in which, targets of economic growth and economic aid that would bridge the income gap between North and South, were defined and monitored by the General Assembly of the U.N. Thus, the strategy of the first Decade (1960–1970) targeted the necessary economic growth rate for the LDCs at 5% of their total annual GNP, with a required 'aid' disbursement of 1% of annual GNP from the industrial countries. The second Development Decade likewise involved targets of rates of growth in production (4% agricultural output, 8% manufacturing output), favourable
balance of trade (7% in total exports against -7% imports), and increase in GNP by 6% for the LDCs and 6%+ for the LLDCs, plus the 1% of GNP disbursement of Aid from the North.

Needless to say, the International Development Strategies launched in the past two decades, failed to achieve their objectives. With the exception of the Scandinavian countries, none of the DCs managed to disburse their full quotas of Aid. The East-socialist countries have refused to participate in the 'aid programme' on grounds that, they did not participate in the 'colonial plunder and exploitation of the Third World', and hence not responsible for the latter's present circumstances. And as was mentioned earlier, the USA, in principle, prefers her aid disbursements to be on bilateral basis, so that they can serve as a means of furthering American ideological and economic interests in the world.

The problem of International Aid disbursements apart, the expectations of the Development Decades failed to materialize, in terms of the dismal performances of the LDC economies (apart from OPEC). Against the target of 6% growth in GNP, the LDCs achieved an aggregate rate of 5%, the bulk of which must be attributed to the growth rates achieved by the OPEC countries. The performance of the LLDCs was even worse, at only 3.2%. Similarly, the total rate of growth achieved in manufacturing output - 6.8% against the target of 8% - was due to the expansions in the outputs of the OPEC and the industrializing LDCs (Mexico, Brazil, Singapore, and others). Disappointing performances were also evident in agricultural output (2.9% against 4.5%) exports (4.5% against 7%) and imports which actually exceeded the -7% target by +2.3%.

Amongst the reasons accounting for the failures of the Development Strategies, the structured forces of the world economy of Capitalism, in particular the unfavourable terms of trade, the exploitative terms of
capital and technological transfers, and the protectionist trade policies of the North, are obvious candidates. In the consideration of these factors, however, we must no lose sight of the limitations of the Development Strategies themselves, as these were defined and implemented by the United Nations. Underlying the Strategies was the conventional assumption that, Third World economic growth and development are fundamentally predicated upon the continuous prosperity of the Northern industrial countries. That is, the U.N. saw the success of the Strategies in terms of a 'neo-utilitarian philosophy' that, the expansion of the Northern economies would result in the transmission of benefits to the Southern countries. The U.N. was not alone in this belief, for most Third World countries did accept (and some still do) the Western conception of 'international interdependence' as a universally beneficial state of world economic relations in which, higher economic growth rates in the industrial countries, would guarantee the stable consumer market for Southern exports, the transfer of capital and technology to the LDCs at favourable terms, and hence, their acquisition of the means of economic growth and development. It was thus that, Southern developmental efforts throughout the 1960s put a premium on the acquisition of 'foreign aid' and preferential trade concessions for their exports, under GATT (General Agreement on Trade and Tariffs).

That these beliefs were misconceptions of reality, is evinced in the widening gap in the North-South material and cultural circumstances. They were beliefs that failed to appreciate the fact that, under the structured relations of the world system of Capitalism, there can be no coincidence of North-South interests, in so far as the North must continuously exploit the South to maintain its privileged circumstances. A fact illustrated in the 'trade protectionist' policies of the industrial countries, and the profit accumulation activities of their TNCs in the South.
My arguments above find support in the 1977 Report of the UNCTAD Secretariat, on the failure of the International Development Strategies launched by the U.N. to date. According to the Report:

"There is now widespread recognition that existing international development policies have largely failed to achieve their stated objectives. The hopes that were placed on the International Development Strategy for the Second United Nations Development Decade, when it was adopted by the General Assembly in 1970, have been essentially frustrated. The strategy had no significant positive impact on the pace of development of the Third World. Indeed, it now appears evident that the policy measures envisaged in the strategy, even had they been implemented, would not have provided an adequate basis for the long-term development of the developing countries". (19)

The same conclusion was reached in the U.N. sponsored study directed by Wasily Leontiff in 1977. (20). The study, which took as its point of departure, the 12:1 income gap between the DCs and LDCs in 1970, revealed that for the gap to be bridged to even 7:1 by the year 2000, the LDCs would have to achieve annual growth rates of more than 6% in GNP and 3.5% in per capita incomes. Further, given the present (1970s) growth rates achieved by the LDCs, the foreseeable income-gap between them and the DCs would widen to 16:1. For the South to achieve a projected growth rate of 7% in GNP and 5% per capita, as developmental requirements over the next 30 years, its agricultural and manufactured production must grow by 6-7% annually in Africa, 7.5-8% in Asia, 8.5-9% in Latin America and 14% in the OPEC countries. Heavy industry in the South would have to grow faster than light industry, and the LDCs must be in a position to account for 14% of the world's total exports of light industrial products, 7% of industrial materials and 2.7% of machinery and equipment. Finally, real investment in the South must rise to 30-35% of national product, while domestic patterns of income distribution must show equality. What is also
important to note about the Leontiff study was its conclusion that, the projected economic rates necessary for the development of the LDCs, are fundamentally dependent upon the restructuration of the present world economy, so that the following conditions can be achieved:

i) Terms of international trade favourable to the products of the Third World.

ii) The removal of protectionist policies which hinder the exports of the LDCs.

iii) The establishment of more favourable terms of financial and technological transfers to the South; and

iv) The implementation of far reaching changes in the social, economic and political relations of the world society.

These necessary conditions of Third World development imply that the prospects of restructuration of present world economy of Capitalism (NIEO), are indistinguishable from the political co-operation of both the core-nations and international capitalist classes, of the system. But as the actual progress achieved by the South in the NIEO negotiations indicate, such political co-operation has been as elusive as the objectives pursued in the U.N. International Development Strategies.

The Rhetoric and Failure of NEIO

The Southern demand for NIEO dates from the first Afro-Asian non-Allignment Conference held at Bandung (Indonesia) in 1955, at which the first concerted Third World political solidarity and determination to be independent of the East-West power struggle, was launched. The movement manifested itself in the Group of 77 (the Third World lobby of over 120 nations at the U.N.) which, at the first UNCTAD Conference (Geneva 1964), provided the platform for the Southern assault on the world economic order, as established by the Bretton Woods agreements. The target of agitation
then was the GATT arrangements, especially the MFN (Most Favoured Nation Clause) which, for the South is fundamentally and operationally disadvantageous to their trade with the industrial countries, because their exports of mainly raw materials and primary goods do not allow them to benefit from the system of 'generalised preferences' which is the essence of GATT. Numerous Rounds of GATT negotiations (the Kennedy Round of the 1960s, the Tokyo and Manila Rounds of the 1970s and 1980 respectively), all failed to incorporate the demand for the equitable representation of Third World interests, due to Western, particularly American, intransigence. Since then, the South has reiterated its demands for NIEO on a much wider scale (see Appendix), at both the series of periodical UNCTAD Conferences (at four year intervals, from 1968) and the numerous meetings of the Group of 77 and non-Allignment, all to the deaf ears of the North.

The first Northern response to the NIEO demands came at the 6th Special Session of the U.N. in 1974, when the Southern proposal (by Algerian President Boumedienne) was adopted as Resolutions 3201 and 3202 of the General Assembly. The points in favour of the proposal were that, beside its promotion of equity, sovereign equality, interdependence and common interests and co-operation among all nations, it would also support the development efforts of the LDCs, by changing the unfair and inadequate rules, regulations and practices of the existing world economic order. Not all of the countries at the Session were favourably disposed toward the Resolutions; the dissenting voice being that of the U.S. who saw nothing fundamentally wrong with the existing international economic system. Notwithstanding, the consensus reached at the Session was given institutional foundation, two years later, at the 1976 Paris CIEC (Conference of International Economic Co-operation). The Conference achieved no significant change in the Northern attitude, except for the latter's agreement to the establishment of four institutional commissions to deal with the problems of
energy, raw materials and trade, development and money and finance, and the promise to increase the flows of ODA (Official Development Assistance) to the South.

It must not be assumed that the DCs attended the Paris CIEC (or entertained the whole idea of NIEO) out of a sense of obligation toward the development of the Third World. On the contrary, what prompted their participation were developments affecting the stability of the structured relations of the world economy of Capitalism, namely the success of OPEC 'oil cartelization' which, represented the capacity of a Third World bloc to hold the industrial world to ransom and, the potential threat of a concerted Southern economic usurpation of the dominance of the DCs; plus the development of an apparent split in the Western OECD camp, over issues like EEC and Japanese trade policies relative to the United States, the latter's interest rates, and the American-French competition to the liquidity world of 'gold'. These developments, however, led to a hardening of the Northern intransigence, rather than to a conciliatory attitude toward NIEO. At the Paris CIEC, the DCs overcame their differences to put up a united front against the South; a united opposition that has been maintained throughout subsequent conferences of the UNCTAD, IMF, GATT and the most recent NIEC at Cancun (Mexico, October 1981). At the Cancun Conference, the United States' veto of proposals of trade liberalization and increased developmental aid for the LDCs, on grounds that the latter must tighten their own bootstrings, was reminiscent of past U.S. ambivalence on NIEO issues like, the replacement of GATT's MFN by GSP (General System of Preferences), the 'indexation' of Third World exports prices to tie them to the rising prices of manufactured goods, the establishment of a 'Common Fund' and international commodity markets. Indeed the list of issues defeated by Northern intransigence at the various NIEO conferences, are too numerous to document here, but a summary of the whole NIEO demands is provided in the Appendix.
In reviewing the essence, prospects and implications of NIEO (if achieved) for the world economy of Capitalism at large, what stands out as ironic is that, the Southern demands do not constitute a threat to the system, so as to engender the militant opposition of the North. The observation by Maneul Perez Guerero (a founding father of OPEC and a chief Southern negotiator on NIEO), is very instructive.

"Those of use who promote a change in the system of international economic relations do not do so with the aim of eliminating the principles of economic freedom and private initiative." (21)

That the Southern reformist demands neither constitute a threat to the world system of Capitalism nor imply a departure from the principles and ethos of the 'capitalist mode of production', are demonstrated in the fact that, the LDCs go out of their way to make their domestic socio-economic climates very attractive to the direct foreign investments of the Northern countries. There is hardly a member country of the Southern alliance that would not abandon 'collective group goals and policies' for 'nationalistic aims' at the first opportunity of guaranteed inflow of foreign capital and technology. Thus Third World collective strategies like the formation of the Andean Pact (among Chile, Brazil, Peru, Bolivia and Argentina) to counter the growing domination of TNCs over South American economies, have all collapsed in the face of 'conflict of national interests'.

Seen from this angle, the seeds of failure of NIEO to date, must be deemed as sowed in the ideologies and developmental orientations of the Southern countries themselves, as they are in the historical and structural forces of the world system of Capitalism. One of the misconceptions of the Southern leadership, in the conduct of NIEO negotiations, is the naive belief in the 'positive-sum' pay-offs of the productive-accumulation
relations of Capitalism. Years of prolonged exploitation of the mass populations by the elites, and the continuity of the poverty and under-development of the mass of mankind, have not re-oriented the consciousness of the Southern leadership. On the other hand, this accommodating consciousness of the political leaders, intellectuals and elites of the Southern countries, is not so ironic after all, given the complicity of these elements in the whole process of perpetuation of the North-South Dichotomy. The success of OPEC cartelization of 'oil', illustrates that the question of effective Southern 'bargaining power' in world economic (and even political) relations, can no longer be held in doubt. At the comparative level, the economies of the industrial countries have reached a point of maturity at which, further growth can only be achieved through the intensification of ruling-class and core exploitation of the peripheral mass of mankind, in both developed and under-developed regions; the economies of the South are just emerging in their systemic and indigenous patterns, with vast potentialities for growth and expansion. The potentialities for the exploitation of Southern resources toward real growth and development, beneficial to their own populations exist, so does the potential for the South to acquire the necessary technical and managerial expertise, by arresting the 'exodus' of trained and qualified Southern citizens, to the lucrative fields of the North, due to the frustrations these elements encounter by working in their own countries & frustrations completed by corrupt and incompetent politicians & military elements.

Moreover, even though the contradictions of the capitalist mode of social formation have been planted in Southern societies since 'colonialism', these have not become so entrenched in the social fabric, as to totally destroy traditional principles of equality and communal life that characterised these societies, prior to the 'white-man's' arrival. With the appropriate 'political-will', the Third World countries can rid their
societies of the disintegrating and inegalitarian principles of Capitalism, that largely account for their domestic underdevelopment and international dependency.
NOTES TO CHAPTER EIGHT


3. ibid;


5. In September 1981, South Africa's short-term foreign debt stood at R.900million, while her exchange reserves, including SDRs had dropped from R.800million in the early months of that year to about R.250million.


9. A.G. Frank - "Crisis in the World Economy"; op.cit; p.20.

10. At a recent symposium held at the University of Ghana (Legon) in August 1982, I personally heard a Ghanaian Professor of Economics express the view that, Ghana's prospects of economic growth and development would be more enhanced by the country's abandonment of 'industrialization', to concentrate national resources and efforts in the production and export of raw materials.


13. A case in point was the IMF/IBRD co-optation of the 1969-72 Busia Government of Ghana, via the agency of the Harvard Development Advisory Service – implanted in the Ghanaian decision-making system, as a condition of the financial assistance requested from the international institutions by Ghana. According to R. North (then United States Aid Director for Ghana), Ghana's foreign creditors (Britain, the United States and Western Germany) used "the IBRD/IMF documents as the framework of correct policies toward Ghana. IBRD/IMF were the principal economic consultants and arbiters in the process. The Ghanaians had the Harvard Group and the creditors used the Bank and Fund as go-betweens in their relations with the Ghana Government. In their role as co-ordinators, the IBRD/IMF imposed their requirement of a development programme and policies, as the sine qua non for 'Aid' from the donor countries – what was preferred by the Ghanaians as meeting their needs were rejected, but most unreasonable was the fact that Ghana was required to formulate acceptable development programmes, without the prior knowledge of the size of AID that would be forthcoming!" For further details, see R.T. Libby - "External Co-optation of a Less Developed Country's Policy-Making: The Case of Ghana"; in 'World Politics', vol. xxix, No.1, 1976.

14. The influence of 'bourgeois conception of development' over the minds of Southern intellectuals and leaders, has been so profound that, any problems attending a socialist strategy of development are often seen as 'the practical infeasibility of that strategy, rather than in the light of the structured relations of the world economy of Capitalism.'

15. The tax policies of the U.S. Government, favouring U.S. companies with overseas interests, give ample evidence to support the contention that, the globalization of 'capital' has always involved the alliance of the Capitalist-State and the Capitalist ruling-class, whether this is seen in the historical case of European Imperialism, or in the contemporary case of TNC direct foreign investments. During the initial stages of global expansion of American capital, the State's aid to the capitalists had the objective of encouraging the re-investment of the latter's foreign earnings in the domestic U.S. economy. Thus, tax was only refundable to the multinational U.S. companies who repatriate their profits from their foreign enterprises.

16. The provisions of the Ghana-Valco Agreement of 1957 provide illustration. Under the Agreement, Valco (a subsidiary of the American aluminium company – Kaiser Aluminium and Chemical Corporation) which enjoys the monopoly of sole
aluminium smelting company in Ghana, and uses the latter's hydro-electric power at the cheapest rate of tariff in the whole world today, (4.75 mills per kilowatt hour against the world rate of 24$m/kwh$), has a revolving credit facility of $5 million every three years, drawable in any international currency from the Ghanaian local banks.


18. Alcoa of U.S.A., Kaiser of U.S.A., Reynolds Metals of U.S.A., Alcan of Canada, Aluswiss of Switzerland, and Pechiney of France, have so dominated the world's aluminium industry to the extent that no individual country can establish more than one stage in the extraction, smelting and marketing processes of aluminium production at the local level.

19. These are some of the reasons underlying the high concentration of TNC direct foreign investment in Southern countries with large populations and domestic markets like India, Brazil and Mexico.

20. The Brazilian economy which has the highest concentration of TNC direct foreign investment in the Third World (20% of total), is very illustrative of this pattern. In 1979 (the high tide of the Brazilian economic miracle), total TNC investment was valued at U.S.$2223 million. The largest proportion of the country's industrial capacity is concentrated on the production of luxurious consumer goods - television, fridges, motor cars, household electrical appliances, etc.. The current world economic recession, inflation and the general crisis of capitalism, however, all seem to have hit Brazil very hard. Volkswagen, one of Brazil's big foreign exchange earners (it provides 1% of the country's total GNP), sacked 10, 000 of its employees between January and March 1981. The company's total production of cars fell from the average of 2,300 vehicles a day to 950 a day, between December, 1980 and October, 1981. The company's stockpiled cars at its Sao Paulo plant during that same period, totalled 45,000 unsaleable cars. Other TNCs operating in the country are in similar predicament. Rhodia (a subsidiary of the French chemical firm - Rhone Poulenc) recently recorded the lowest profits in its thirty years stay in Brazil, and in 1981 threatened to reduce its production capacity, as well as pay off its foreign loans (which would affect Brazil's foreign exchange reserves considerably), if the Government would not approve its demand for a 42% price increase in its products on the domestic market - to offset the 79% increase in its cost of production.
Similar action was threatened by other TNCs - Nestle, Glossy-Lever and Bayer - in response to the Government's policy of reducing inflation which then stood at 120%. The general condition of the Brazilian economy gave cause for concern. From October, 1980 to March, 1981, no fewer than 85,000 Brazilians lost their jobs, and production levels fell by as much as 80% in most industries. The volume of the country's exports declined considerably, and domestic consumption lagged behind the overproduction of luxurious goods. The inflow of investment capital also fell considerably. Whereas in 1973 capital outflows represented only 20% of the inflows, in 1980 the percentage was 90%. Total TNC investment in 1979 stood at U.S.$2223 million; in October 1981, this had been reduced to U.S.$1565 million, and it was estimated that Brazil would require an international loan of U.S.$500 million to cover its debt-interest payments, before the end of 1981.


22. see SIPRI (Stockholm International Peace Research Institute) Yearbook, 1979 "The World Armament and Disarmament".


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ABBREVIATIONS USED

ECE - Economic Commission for Europe
UNCLA - United Nations Economic Commission for Latin America.
EEC - European Economic Community
UNFAO - United Nations Food and Agricultural Organization.
GATT - General Agreement on Tariffs and Trade.
IBRD - International Bank for Reconstruction and Development (The World Bank).
ILO - International Labour Organization.
IMF - International Monetary Fund.
NIEC - New International Economy Conference.
NIEO - New International Economic Order.
OPEC - Organization of Petroleum Exporting Countries.
Prio - Peace Research Institute, Oslo.
SIPRI - Stockholm International Peace Research Institute.
OECD - Organization for Economic Co-operation and Development.
UNCTAD - United Nations Conference on Trade and Development.
UNDESA - United Nations Department of Economic and Social Affairs.
ECOSOC - United Nations Economic and Social Council
UNIDO - United Nations Industrial Development Organization.
UNITAR - United Nations Institute for Training and Research.
TNCs - Transnational Corporations.
LDCs - Less Developed Countries
LLDCs - Least Developed Countries
DCs - Developed Countries.
NATO - North Atlantic Treaty Organization.
APPENDIX A

The Southern Demands in NIEO, as Documented by UNITAR in 1977...

1. The attainment of U.N. global development assistance levels and other quantitative targets.

2. The linkage of development assistance with the creation of SDRs (Special Drawing Rights), and the utilization of SDRs as the central reserve asset of the international monetary system.

3. The negotiated redeployment of certain productive capacities from developed to developing countries, and the creation of new industrial facilities in developing countries.

4. Lowering of tariffs and non-tariff barriers on the exports of manufactures from the Third World.

5. Development of International Food Programmes.

6. The establishment of mechanisms for the transfer of technology to the Third World, separate from direct capital investment.

7. Regulation and supervision of the activities of Transnational Corporations in promoting economic development in the Third World.

8. Elimination of restrictive business practices adversely affecting international trade, especially the market share of developing countries.

9. Reform of the procedures and structures of the IMF, the World Bank and IDA, to facilitate favourable conditions for the transfer of financial resources for development.

10. Improving the competitiveness of natural resources vis-à-vis synthetic substances.

II. Full reimbursement to developing countries of monies derived from customs duties and taxes applied to their exports.

12. Creation of Buffer stocks through producers' associations and other means.

13. Appropriate adjustments in International Trade, so as to facilitate the expansion and diversification of Third World exports.


15. Promoting the participation of the Third World countries in world invisible trade.

16. The establishment of a system of consultations at the global, regional, international and sectoral levels with the aim of promoting Third World development.

17. Adoption of an integrated approach to price supports for an entire group of Third World commodity exports.

18. The Indexation of Third World exports prices to tie them to rising prices of the manufactured and capital exports of the developed countries.

19. Free choice of States of their economic, social and political systems and of their foreign economic relations.

20. The right of States to nationalize foreign property in accordance with own laws.

21. The right of States to full permanent sovereignty over their natural resources.

22. Restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of States, territories and peoples under foreign occupation, alien and colonial domination or apartheid.
23. The need of all States to put an end to waste of natural resources.

24. The right of association of primary product producers, and the duty of other countries to refrain from interfering in such associations.

25. Exploitation of the sea-bed and ocean floor, taking into account the particular interests and needs of developing countries.

26. The use of funds released through disarmament for Third World development.

27. Special measures to assist in meeting the developmental needs of land-locked, least developed and island countries.

28. Technical co-operation among developing countries (TCDC) (indigenous technology).

30. Technical and financial development aid and assistance to Third World countries.

3I. Social questions (Employment and Income re-distribution).

32. Restructuring of the Economic and Social sectors of the United Nations.

APPENDIX B.

Pictograms and Maps—see overleaf.
Fig. 7: World Trade


% Shares in world exports of goods & non-factor services


Percentage of World Total

- Total
- Manufactures
- Fuels
- Commodities
- Services
- Factor Non
- OECD countries excluding
- Other countries include OPEC
- Plus Greece, Portugal, Turkey
- Less than 5% of GDP

Central plan economies

80 70 60 50 40 30 20 10 0

Figure showing the percentage of world trade from 1970-1999, with different categories highlighted.
### Commodities 1976-1977

**Shares of North and South in World Production & Consumption of Selected The North-South Economic Dichotomy**

<table>
<thead>
<tr>
<th>Mnemonic</th>
<th>World Total</th>
<th>North</th>
<th>South</th>
<th>World Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commodities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Petroleum (crude)</strong></td>
<td>68.1 MMT (1976-77)</td>
<td>37.1%</td>
<td>62.9%</td>
<td>68.1 MMT (1976-77)</td>
</tr>
<tr>
<td><strong>Cotton</strong></td>
<td>1.25 M (1976)</td>
<td>90.0%</td>
<td>10.0%</td>
<td>1.25 M (1976)</td>
</tr>
<tr>
<td><strong>Fertilizers</strong></td>
<td>5.4 M (1976)</td>
<td>62.7%</td>
<td>37.3%</td>
<td>5.4 M (1976)</td>
</tr>
<tr>
<td><strong>Steel</strong></td>
<td>8.4 M (1976)</td>
<td>69.0%</td>
<td>31.0%</td>
<td>8.4 M (1976)</td>
</tr>
<tr>
<td><strong>Foodgrains</strong></td>
<td>1.2 M (1976)</td>
<td>39.6%</td>
<td>60.4%</td>
<td>1.2 M (1976)</td>
</tr>
<tr>
<td><strong>Sugar (raw)</strong></td>
<td>7.1 M (1976)</td>
<td>43.4%</td>
<td>56.6%</td>
<td>7.1 M (1976)</td>
</tr>
<tr>
<td><strong>Lumber</strong></td>
<td>87.4 M (1976)</td>
<td>53.7%</td>
<td>46.3%</td>
<td>87.4 M (1976)</td>
</tr>
<tr>
<td><strong>Primary Energy</strong></td>
<td>25.1 M (1976)</td>
<td>61.5%</td>
<td>38.5%</td>
<td>25.1 M (1976)</td>
</tr>
<tr>
<td><strong>Tin (ores)</strong></td>
<td>1.1 M (1976)</td>
<td>61.0%</td>
<td>39.0%</td>
<td>1.1 M (1976)</td>
</tr>
<tr>
<td><strong>Gold (ores)</strong></td>
<td>1.1 M (1976)</td>
<td>85.9%</td>
<td>14.1%</td>
<td>1.1 M (1976)</td>
</tr>
</tbody>
</table>

** электроенергия **

### Source

1978 N.Y. Series V. No. 3

United Nations Statistics United Nations

1978-1977

<table>
<thead>
<tr>
<th>Catagories</th>
<th>Metric Tons</th>
<th>Million</th>
<th>North %</th>
<th>South %</th>
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<tr>
<td><strong>Commerical</strong></td>
<td>86.9 M</td>
<td>42.1 M</td>
<td>68.2%</td>
<td>31.8%</td>
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<td><strong>Passenger</strong></td>
<td>36.7 M</td>
<td>36.7 M</td>
<td>100.0%</td>
<td>0.0%</td>
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<tr>
<td><strong>Metals</strong></td>
<td>1.3 M</td>
<td>1.3 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Foodgrains</strong></td>
<td>4.1 M</td>
<td>4.1 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Sugar (raw)</strong></td>
<td>1.6 M</td>
<td>1.6 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Crude steel</strong></td>
<td>6.2 M</td>
<td>6.2 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Petroleum (crude)</strong></td>
<td>5.4 M</td>
<td>5.4 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Cotton</strong></td>
<td>1.7 M</td>
<td>1.7 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Fertilizers</strong></td>
<td>1.1 M</td>
<td>1.1 M</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

** Shares of North and South in World Production & Consumption of Selected The North-South Economic Dichotomy**

#### Energy

- **Electricity:**
  - **North:** 61.5%
  - **South:** 38.5%
- **Primary Energy:**
  - **North:** 61.0%
  - **South:** 39.0%
- **Gold (ores):**
  - **North:** 85.9%
  - **South:** 14.1%
- **Tin (ores):**
  - **North:** 61.0%
  - **South:** 39.0%

#### Commodities

- **Petroleum (crude):**
  - **North:** 37.1%
  - **South:** 62.9%
- **Cotton:**
  - **North:** 90.0%
  - **South:** 10.0%
- **Fertilizers:**
  - **North:** 62.7%
  - **South:** 37.3%
- **Steel:**
  - **North:** 69.0%
  - **South:** 31.0%
- **Foodgrains:**
  - **North:** 39.6%
  - **South:** 60.4%
- **Sugar (raw):**
  - **North:** 43.4%
  - **South:** 56.6%
- **Lumber:**
  - **North:** 53.7%
  - **South:** 46.3%
- **Primary Energy:**
  - **North:** 61.5%
  - **South:** 38.5%
WORLD SYSTEM OF CAPITALIST ECONOMIC DOMINATION

KEY:
- OECD (Core Elements of World Capitalism)
- Peripheral Elements of World Capitalism
- Communist, Technologically Dependent
- Colonialist Financial Dependent
- Petrol Exporting Countries
- Organization of Petroleum Exporting Countries

Countries and Regions:
- Algeria
- Gabon
- Iran
- Iraq
- Saudi Arabia
- Kuwait