

A NOTE ON THE CONCEPT OF DELINKING

Samir AMIN*

1) The crisis of development, inscribed in the general crisis of the world system, has increasingly led to the questioning of the “outward looking” development strategies which are based on a deepened participation into the international division of labour. Within such a framework, the term “delinking” has entered into current usage and its use is stretched out daily. This extension, as it often is the case, goes together with a progressive degradation of its meaning. In general, the term has become a synonym (or almost) of autarchy, absolute or relative, that is to say, of the withdrawal from commercial, financial and technological exchanges with the external environment.

We have supported, and continue to support the thesis according to which “underdevelopment” as a relative term is the reverse of “development”, that is to say, the one and the other of the two faces of the expansion of capital (by their unequal nature). Therefore, the peripheral countries of the world capitalist system have to realize a “rupture” with this system, a “delinking” that is, the refusal to submit the national development strategies to the imperatives of the “internationalization”. But the meaning we attribute to the concept of “delinking” is not at all synonymous with autarchy. What is meant is the following: organization of a system of criteria for rationality of economic choices founded upon a law of value with a national base and popular content, independent of the criteria of rationality stemming from the domination of the (capitalist) law of value operating on a world scale.

* United Nations Institute for Training and Research, Senegal. The editor wishes to gratefully acknowledge the able help of Dr. Raşit Kaya and Galip Yalman in translating this essay from French into English in a very short period of time.

The objective of this brief note is i) to make explicit the meaning of this definition and to illustrate it with a comparative scheme, ii) to demonstrate that the strategies of development based on the one or the other forms of the law of value lead to completely different results, and iii) to explore some of the relationships between this alternative choice and the question of "external relations" (or of autarchy).

We are very much inspired in this note from our elucidation which constitutes the first part (pp. 7 - 37) of our "The Future of Maoism" (Monthly Press, New York, 1982) where we deal precisely with this question in detail. Therefore, here, we only present a simplified scheme, reduced to the stages of demonstration techniques and refer the interested reader to that text.

2) Consequently, two strategies are to be compared. The first one is founded on a political option of auto-centred national development, after the abolition of the dominant forms of private property in land and the factories and taking agriculture as the base, that is to say, not envisaging any forced appropriation over the peasants to "accelerate the industrialization" and instead opting for the most possible egalitarian income distribution (namely between the rural incomes and the wages of labourers). The second is founded on the laws of capital accumulation in a class society integrated to the international division of labour, where the comparative productivity of the economic choices is consequently based on the law of capitalist value on a world scale as the best indicator of efficiency.

In the compared two cases, it is supposed that at the beginning (year 0) we are in the same situation as of an underdeveloped country still largely rural (80 % of the population), with a backward agriculture and nascent industrialization.

3) In the following we describe the two structures at the departure (year 0) according to the basis on which they are founded whether i) on the law of value at a national base and popular content: or ii) on the capitalist law of value on the world scale. It is, of course necessary to set for each product (whether producers' goods or consumption goods, produced by rural or urban people, commercialized or self-consumed) a "price" while the unit of labour time is chosen as the unit of measure for value.

3.1. What characterizes "the law of value at a national base and with a popular content"? It signifies that the net product of society (the value added or the total production after the deduction of productive consumption), standing equal to 100 (billions monetary unit), will be shared between rural and urban populations in proportion to their contribution to quantity of work (standing equal to their proportion in the population let us say 80 and 20). The price system (of the wheat, metre of the cotton textiles, a kilo of fertilizers etc...) and the remuneration for work (annual salary) that corresponds to it will be deduced from this political option.

3.2. What characterizes "law of world capitalist value"? It signifies the choice of the dominant price system-which reflects the level of productivity reached by the developed countries-as the "reference price" in order to justify the rationality of the choice of development. The productivity of the labourer in a branch is measured by dividing the value added in this branch by the number of employees employed in the branch under consideration. Measured in this manner, the productivity in agriculture and in industry (and the services) in the Third World countries is low in comparison with that in the developed countries, but unevenly so. On the whole in industry / services it is three times less, that is to say, that the coefficient of value added in industry and services, divided by the number of employees in this sector, (on the base of 100 for the whole of the OECD countries) is at an index of 33 for the whole of the Third World. In contrast, in agriculture, this ratio is 10 (for the developed countries) as opposed to 1 for the Third World. So, if the reference price system of advanced capitalism is adopted, the value added per head in the underdeveloped countries will be three times more in the urban sector than it is in the rural sector.

The terms agriculture and industry are used here for the purpose of illustration. No less important differences or productivity separate the production of the so-called urban "informal" sector from those of the modern sectors. On the basis of an enlargement into 20 branches, average differences of productivity range from 1 to 3 for the developed countries, and from 1 to 25 for the Third World.

The following table summarizes the differences in structure (corresponding to the two options concerning the law of value) for the same countries at year 0.

Population	Value Added		Value Added per Head	
	Law of value on a national and popular basis (NPB)	Law of Value World capitalist (Wc)	Law of Value NPB	Law of Value Wc
Rural 80	80	57	1.00	0.71
Urban 20	20	43	1.00	2.15
Total 100	100	100	1.00	1.00

3.3. The major difference that we wanted to bring out in the preceding analysis is independent of the class structures as well as of the reallocation of value added resulting from it.

Of course, still more marked differences can be brought out between the two models if these class structures are introduced. A "popular content" for the first model presupposes a distribution as equal as possible for the peasants, around the same national average 100 and an equally fair distribution for the whole of the urban wage-earners around the same average with the differences here justified only on an individual base by the amount and quality of the work (and also the qualification of the workers). In contrast, if the realities of the capitalist Third World are taken into account we shall have: i) two fifths of the net agricultural product appropriated by the owners' rents; ii) division of the urban incomes into three equal parts: A third to the wages and revenue of the less qualified labourers (they, themselves comprise three quarters of the active population), a third to middle layers (a quarter of the active population), and a third as the revenue of the owners of property and capital. Under these conditions with respect to the national average of 1.00, the average income of the peasants falls to 0.60, that of the urban workers to 0.43, whereas that of the middle layers rises to 1.75. These ratios are very close to reality as measured statistically in different places.

4. Starting with these two bases, we now describe the contents and results of the two strategies of development in terms of 10 years, one founded on the principles of the national and popular value and the other on those of the capitalist world value.

In order to render the comparison valid we are making the following assumptions which are common for both models: i) a global growth of the population at a rate of 2 % per year; ii) an improvement of

agricultural productivity (net product of the rural active population) at a rate of 2 % per year; iii) an improvement of productivity in industry-services (net product by urban active population) at a rate of 3 % per year ; iv) that these productivity increases in the two models require the same investment effort and a similar rate of growth of productive consumption (therefore, roughly the same types of technology).

4.1. In the popular national strategy, relative prices of different products are modified (from period to period) to reflect the unequal increase of productivity and the impact of unequal growth in productive consumption. But one should take care to see that the incomes of peasants and workers-or more generally, as already seen, the incomes of the laborers in different sectors, branches, groups of enterprises or enterprises having unequal productivities-remain equal among themselves while the rate of their common increase is circumscribed by the rate of increase of incomes at the global level after all the necessary investments are deducted. The surplus is centralised by the state and redistributed in terms of the requirements for sectoral growth. Labour force is likewise distributed on the basis of absolute and relative urban growth and as required by the higher growth of industry.

In our model (the justification for the details can be found in the above mentioned study) the proportion of the rural population declined from 80 % to 70 %. Taking into account investment requirements and the growth of productive consumption, the results of the model were as follows: i) growth of the rural population at a rate of 2.6 % per year ii) growth of urban production at a rate of 10.2 % per year (8.6 % for consumption goods and 11 % for producers' goods) iii) growth of national income at a rate of 4.9 % per year; iv) growth of the consumption of both the rural and urban populations at 4 % per year (2 % per head) and analogous to evolving structure of this consumption comprising different components (food and other necessities..) divided between rural and urban sectors.

4.2. In the model illustrating the mechanism of the strategy founded on the capitalist law of value, we accept the assumption of the growth of GDP at the same rate (4.9 % per year). We likewise, accept that this result requires the same level of investment and the same rate of growth in the use of intermediate goods. That is already an optimistic hypothesis since the distortion in favour of the consumption of the middle classes characterizing this strategy implies the choice of more capital intensive production.

Two differences separate this strategy from the preceding one. On the one hand, the labour force is treated as a commodity, full employment is not guaranteed by the state and the rural exodus is not overcome. On the other hand, outward-looking economy calls for private capital and public loans from outside in the hope of reducing the burden of saving by national efforts. But the model shows that this hope is illusory since the repatriation of profits and interest payments-in proportion to accumulated external capital-grows at a rate higher than that of the GDP. This implies a reinforced effort of exportation at a high rate, in accordance with the preferences of the so-called "comparative advantage". However, here, we are again making optimistic assumptions: i) that the flux of new capital compensates for the flux of capital flight, avoiding thereby any crisis in external balances and ii) that the external terms of trade would remain stable, thus excluding any theory of unequal exchange and the accentuation of the transfer of value included in that hidden transfer by way of the very structure of prices. The historical reality is less favourable: i) The crises in the external balance start to choke the periphery's growth process (current debt crisis being the most recent example) and ii) These crises and the readjustments that they lead to, by deepening the participation into the international division of labour under unfavourable conditions, constitute the basis of "unequal exchange".

This model gives very different results from the preceding one: i) growth of labourers' incomes is practically nullified as a result of the parallel growth in population; ii) in contrast, the growth of middle class incomes reaches 6.6% per year. Here again, an optimistic assumption is made, namely, that the spontaneous private savings resulting from this growing inequality in the distribution of incomes largely provides finance for investment, and compensates for the repatriation of foreign profits. But, here again history proves that inequality encourages parasitical consumption more than savings and that the highest rate of collective saving is obtained in the least inegalitarian societies.

The model, therefore, illustrates a type of development which is marked by growing inequality as indeed observed in all of the Third World countries. This inequality-inherent in the preferred choices-is nothing but the reflection of the law of capital accumulation operating on a world scale. Development, here, is essentially stirred by two forces : i) The external demand that renders exports possible is imperative for the importation of the necessary means of production and for

the remuneration of borrowed capital; ii) the consumption demand of the middle classes which is itself incised in the growth process.

5. The two models, like all models, are illustrative. By themselves, they do not demonstrate why and under what social and ideological influences such a choice is made. They do not have a magical power to substitute for such influences.

5.1. The first model is that of a auto-centred national and popular development. It does not amount to a renunciation of all external relations but it renounces the submission of external relations to the logic of an internal development which is independent of them. This choice in fact, leads to the attribution of much less decisive importance to apparent "comparative advantage" and thus even tends to reduce the volume of commercial exchanges (all other things being equal). Care is taken to see that the balance in production namely, agricultural and industrial-reduces the risk of deficits like the food deficit etc.. That is one reason why delinking is frequently regarded as tantamount to autarchy. However, the insufficient natural resource (minerals) endowment (especially in the small and medium-sized countries), technological backwardness and the difficulties of manufacturing the sophisticated goods impose importation and therefore exportation to pay for them. But this strategy considers that as a "necessary evil" and seeks its consequences and burden.

The second model by contrast reveals the close relationships linking the class struggle to the outward looking choice of development. The middle classes benefit from this choice, and the vulnerability of their development to external pressures is nothing but an accepted constraint.

5.2. The first path, some will say, is that of socialism, the second that of capitalism. We are more subtle. The first path is that of national and popular development which may lead to socialism. But the path stays open, between an evolution in this direction and /or in the direction of the crystallization of a new class power. Without any doubt, this last "deviation" implies an increasing inequality more marked in income distribution, even if this was without a return to the private ownership over the means of production. But, on the other hand "equality" is not a sufficient condition for socialist development. The question of effective power of labourers on production sites and in the political society goes largely beyond that of "income distribution". Besides

even under the assumption of a blocked path and the relative evolution and crystallization of a new ruling class, the distortions in development would stay less strong than in the capitalist model as long as the criteria of choice remain national (law of national value) and as long as it is refused to build it upon "international values". Because (and we are strongly reminding it), the first basis of the distortion, its preponderant dimension, results from the distance that separates a national value system from the globalized system of the capitalist law of value. Indeed, the crystallisation of a new structure of classes leads to the attraction of "international values" which will only be possible through the glamour of the life styles of the capitalist world's middle classes.

5.3. The question of technology should be replaced within the framework of these choices. Delinking does not imply blanket rejection of foreign technology because it is foreign and in the name of any culturalist nationalism. But, it certainly implies that one should be conscious of the fact that technology is not neutral neither with respect to social relations of production nor with respect to life styles and modes of consumption. Priority given to the generation of enthusiasm (in the whole country and in all the people) in the process of change, imposes a mixture of modern technologies (eventually to be imported) and a renovation and, improvement of traditional technologies. On the other hand, outward-looking choice most certainly reinforces absolute alienation in the technology of advanced capitalism.

5.4. Finally, delinking is not at all synonymous with the refusal to participate in the scientific and ideological currents in the world. Cultural nationalism passing by ("passeiste") is the symptom of the crisis not a response to it. It expresses the impotence of societies in the impasse, those which have not yet found their way out, in efficiently associating renovation and historical continuity.