

## **A Note on the Concept of Delinking\***

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### **I**

The crisis of development, in keeping with the general pattern of the crisis of the world-system, has led to questioning again the development strategies of "opening to the outside," based upon a thorough participation in the international division of labor. Within this framework, the word "delinking" has passed into the common language, and its use is being extended every day. This extension is accompanied, as is often the case, with a progressive shading-off of its meaning. In general, the word has become almost a synonym for "autarky," absolute or relative, that is to say, of the withdrawal from commercial, financial, and external technological exchanges.

I have supported, and still continue to support, the point of view according to which "underdevelopment" (a relative term) is the obverse side of "development," that is to say, the two sides of the expansion—unequal by nature—of capital. The development of countries at the periphery of the world-capitalist system, consequently, passes through a necessary "break" from this world capitalist system—a "delinking"—that is to say, the refusal to submit national-development strategy to the imperatives of "globalization." But the meaning we give to the concept of "delinking" is not at all a synonym for

\*Translated by Nicole Peiris.

autarky. We mean the organization of a system of criteria for the rationality of economic choices based on a law of value, which has a national foundation and a popular content, independent of the criteria of economic rationality that emerges from the domination of the law of capitalist value that operates on a world scale.

The objectives of this short note are (i) to make explicit the meaning of this definition and to illustrate it with a comparative table; (ii) to show that the development strategies based on the separate forms of the law of value lead to completely different results; and (iii) to explore some of the relations between this choice of alternatives and the issue of "external relations" (or of autarky).

Inspiration in this note comes closely from the ideas I have developed in the first part of *The Future of Maoism* (Amin, 1982: 7-37), in which I have indeed approached this issue in detail. Here, I shall only give a simplified scheme, shorn of the technical steps of the argument; I suggest that the interested reader refer to this text.

## II

I want, in fact, to compare two strategies. The first is based upon the political option of a national development auto-centered around the abolition of the domineering forms of private property in the land and the factories, taking agriculture as a base, that is, not envisaging any forced extractions from the peasants in order to "speed up industrialization," and opting for the most egalitarian distribution possible of incomes (particularly between rural incomes and workers' salaries). The second is based on the laws of capital accumulation in a class society integrated in an international division of labor, where, as a matter of fact, the comparative profitability of economic choices is considered from the basis of the law of global capitalist value as the highest reference of efficiency.

In the two cases compared, it is presumed that each one is placed initially (year 0) in the same situation, that is, of an

underdeveloped country, still largely rural (80% of its population), with an agriculture lagging behind and an embryonic industrialization.

### **III**

In what follows, I describe the two structures, at their initial point (year 0), whether they are based (i) on the law of value with a national foundation and a popular content, or (ii) on the world-capitalist law of value. I admit that it is necessary to give each production (capital goods or consumer goods produced by the rural or the urban populations, commercialized or self-consumed) a “price,” and one chooses as the unit of measuring values the unit of labor-time.

#### *1*

What is meant by choosing “the law of value from a national base and with a popular content”? It means that one will see to it that the net product of society (the value added or the total production, after deduction of the produce consumed), granting it is equal to 100 (billion of monetary units), will be shared between rural and urban populations in proportion to their contribution in the quantity of labor (granting it is equal to their ratio among the population, that is, 80: 20). From this political option, one will deduce the system of prices (of wheat, a meter of cotton textiles, a kilogram of fertilizer, etc.) and payment for work (yearly salary) that corresponds to it.

#### *2*

What is meant by choosing “the law of the world-capitalist value”? It means choosing, as “reference price” on which to base the reasoning behind development choices, the system of “domineering prices”—those that reflect the levels of productivity reached by the developed countries. The productivity

of a worker in a sector is measured by dividing the value added in this sector by the number of workers occupied in the sector considered. So measured, productivity is lower in agriculture as well as industry (and services) in the Third World countries compared with what it is in the developed countries. But it is unequally lower, that is to say, when the quotient (the value added in industry and services) is divided by the number of persons employed in these sectors, taking the base of 100 for the whole of the OECD countries, the index number for the entire Third World countries is 33. On the other hand, in agriculture, the ratio is 10 (for the developed countries), against 1 (for the Third World countries). Therefore, if one adopts the system of reference prices of developed capitalism, the value added per capita will be three times higher in the Third World country in the urban sector, compared to what it is in the rural sector. The words "agriculture" and "industry" are used here in an illustrative sense. Differences of productivity, which are not less important, separate that segment of urban production called "informal" from that of the modern sectors. On the basis of breaking up into 20 branches, the average gaps of productivity range from 1 to 3 for the developed countries, and from 1 to 25 for those of the Third World.

The table below summarizes the difference of structures corresponding to the two options concerning the law of value, for the same country, year 0.

### 3

The major difference I want to point out in the above table is independent of the class structure and the distribution of the value added that results from it.

Of course, one can focus on even more marked gaps between the two models, if one brings in class structures. A "popular content" for the first model supposes a distribution as equal as possible, for the peasants, around the national average 1.00 and a distribution as equal as possible, around the same

TABLE 1

<i>Population</i>	<i>Value Added</i>		<i>Value Added Per Capita</i>	
	<i>Law of Value</i>	<i>Law of Value</i>	<i>Law of Value</i>	<i>Law of Value</i>
	<i>National and popular base</i>	<i>World-Capitalist</i>	<i>National and popular base</i>	<i>World-Capitalist</i>
Rural 80	80	57	1.00	0.71
Urban 20	20	43	1.00	2.15
Total 100	100	100	1.00	1.00

average, for the whole of urban wage-earners, the gaps here being only justifiable on the individual basis by the quantity and equality (as well as qualification) of labor. On the other hand, if one considers the reality of the capitalist Third World, we shall have (i) two-fifths of the net product of agriculture grabbed by the rent of landowners; (ii) a sharing of urban income in three equal fractions: one-third for the salaries and incomes of workers who are not very skilled (themselves representing three-quarters of the work force), one-third for the middle layers (one-fourth of the work force) and one-third in the name of property and capital incomes. In these circumstances, in comparison with the national average 1.00, the average income of the peasants drops to 0.60, and that of the urban workers to 0.43, whereas that of the middle layers rises to 1.75. These last ratios are very close to reality as measured statistically here and there.

#### IV

From these two bases, I describe the contents and results of two development strategies at the end of 10 years, one based on the principles of the national and popular value, the other on those of the world-capitalist value.

To make the comparison valid, I assume common hypotheses for both models, that is: (i) a global growth of population at 2% yearly; (ii) an improvement of the agricultural productivity (net product per rural worker) at the rate of 2% yearly;

(iii) an improvement of industry-services productivity (net product per urban worker) at the rate of 3% yearly; (iv) these increases in productivity require in both models the same effort of investment and a similar growth of consumption of produce (in the main, therefore, the same types of technology).

### 1

In the national popular strategy, the relative prices of various products are modified (from time to time) to reflect the unequal increase of productivity and the impact of the consumption of produce in unequal growth. But one takes care that the peasants' and workers' incomes—or more generally, as we saw, the incomes of workers in different sectors, branches, groups of enterprises or enterprises with unequal productivity—remain equal among themselves. One places the level of their common growth at the height authorized by the global growth, after deducting the necessary investment. The surplus is centrally accumulated by the state and redistributed according to sectoral needs of growth. The labor force is also distributed according to the absolute and relative urban growth required by the higher industrial growth.

In our model (one could find the detailed arguments in the publication mentioned above), the proportion of the rural population decreased from 80% to 70%. Taking into account the requirement of investment and the growth of product consumption, the results of the model were (i) growth of rural production at a pace of 2.6% yearly, (ii) growth of urban production at the pace of 10.2% yearly (with 8.6% for consumer goods and 11.0% for capital goods); (iii) growth of national revenue at a speed of 4.9% per year; (iv) growth of consumption of rural as well as urban populations at a pace of 4% per year (2% per capita) and a similar evolution of the structure of this consumption in its rural and urban distribution among its different component elements (food, other needs, and so on).

2

In the model illustrating the setting-up of the strategy based on the law of the world-capitalist value, I admit the hypothesis of a growth of the Gross Domestic Product (GDP), at the same speed (4.9% yearly). I also admit that this result requires the same volume of investment and the same growth of intermediary consumption. Here is already a favorable hypothesis, since the distortion in favor of the consumption of the middle classes, which characterizes this strategy, implies choices of production more capital intensive.

Two differences separate this strategy from the previous. On the one hand, the labor force is treated as merchandise, full employment is not guaranteed by the state, and rural exodus is not under control. On the other hand, the economy, open to the outside, calls on external private capital and falls into external public debts, hoping that it will thus alleviate the burden of the national effort for saving. But the model shows that this hope is illusory, since the flow back of profits and interest—proportional to the accumulated external capital—itself grows at a higher rate than the GDP. That implies a sustained effort to export, which itself is maintained at a high rate—a reflection of the preference given to the so-called comparative advantages. However, here I am still making favorable hypotheses: (i) that the entry flow of new capital was compensating for the outgoing flow, avoiding, this way, any crisis in the external balances; and (ii) that the terms of the external exchange were remaining stable, thus excluding any theory of unequal exchange and the stress on transfer value with inclusion in this of transfers hidden by the very structure of prices. The historical reality is less favorable: (i) these crises of external balance come regularly and block the processes of growth in the periphery (the present debt crisis is only the latest example), and (ii) these crises and the readjustments they call for, by increasing the participation in the international division of labor in unfavorable conditions, constitute the base of unequal exchange.

The model gave very different results from the previous: (i) the growth of workers' incomes is practically annihilated, parallel only to that of population growth; (ii) on the other hand, the growth of incomes of the middle classes reached 6.6% yearly. Indeed, here a favorable hypothesis has been formulated, that is, the spontaneous private saving extracted from this growing inequality in the distribution of income was largely financing the effort of investment and was compensating for or the flowing back of foreign profits. In fact, here again, history proves that inequality encourages more parasitic consumption than saving, and that the highest rates of collective savings are obtained in the less unegalitarian societies.

The model illustrates, therefore, a type of development characterized by a growing inequality, effectively acknowledged on the scale of the whole Third World. This inequality, inherent in the choice made, is but the reflection of the law of capital accumulation which operates on a world scale. Development, here, is driven mainly by two forces: (i) the external demand that makes exports possible, a condition for importing the necessary means of production and for paying for the borrowed capital, and (ii) the demand of consumption of the middle classes which grafts itself on the growth.

## V

The two models, like all models, are illustrative. In themselves, they do not demonstrate why such a choice is carried out, or under which social and ideological determinants. They have not this magic power of substitution.

### I

The first model is that of a national and popular auto-centered development. It does not consist in rejecting all relations with the outside, but in submitting the external relations to the logic of an internal development that is independent from them. This choice results effectively in



attributing a much less decisive importance to the apparent “comparative advantages,” and in this way, moreover, it tends to reduce, other things being equal, the volume of commercial exchanges. The care put in seeing to the equilibrium of the various productions—particularly agricultural and industrial—reduces the risks of deficit, such as the food deficit. That is why “delinking” is so often identified with autarky. However, the insufficient endowments in natural resources, especially minerals for countries of medium and small size, the technological gap, and the difficulty of manufacturing sophisticated capital goods compel importing, and consequently exporting, in order to pay for it. But the strategy considers this as a “necessary evil” and aims at reducing its consequences and weight.

The second model, on the contrary, points out the link that connects the class structure with the choice of externally oriented development. The middle classes benefit from this choice, and the external vulnerability of their development is an accepted constraint.

## 2

The first path, some will say, is that of socialism; the second, that of capitalism. We have more shadings. The first way is that of a national and popular development that can lead to socialism. But the way remains open, between an evolution toward that direction or in the direction of the crystalization of a new class power. No doubt, this last deviation does imply, indeed, a progressive inequality in the distribution of revenue, albeit without a return to the private ownership of the means of production. But in its turn, “equality” is not a sufficient condition for socialist development. The issue of the effective power of workers, on the production areas and in the political society, lies much beyond that of the “distribution of incomes.” In other respects, even on the hypothesis of a freeze, linked with the evolution and the crystalization of a new ruling class, the distortions in development will remain smaller than in the capitalist model as long as the criteria of choices remain

national (law of the national value) and one refuses to base these on "international values." For, and we recall it firmly, the first base of distortion, its main dimension, results from the distance that separates a system of national values from the system of "international values," be it only through the channel of the prestigious pattern of life of the middle classes in the capitalist world.

### 3

The issue of technology must be placed within the framework of these choices. Delinking does not imply the rejection of any foreign technology, because it is foreign, in the name of any cultural nationalism. But it certainly implies that one is conscious that technology is not neutral, neither in regard to social relations of production, nor in regard to patterns of life and consumption. The priority given to training the whole country, all the people, in the process of change, dictates of mix of modern technologies (possibly imported) and of renovation, improvement of the traditional technologies. On the other hand, the "extrovert" choice reinforces quite surely absolute alienation in the technology of the advanced capitalism.

### 4

Lastly, delinking is not at all a synonym of refusing to participate in world scientific and ideological currents. The cultural nationalism addicted to the past is a symptom of crisis, not an answer to it. It shows the impotence of societies, in a deadlock, which have not yet found their ways, associating renovation efficiently with historical continuity.

## Reference

Amin, Samir (1982). *The Future of Maoism*. New York: Monthly Review Press.