



Development is Resistance

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Abstract

The main the argument of this article is that, in our epoch, resistance against imperial domination is the first law of motion of development. How did I come to this conclusion? I came to it through a critical look at the existing theories of development, and through my active participation in over fifty years of Africa's struggle to 'develop'. The article looks at various aspects of the theory and practice of 'development', focusing mainly on the theory as expounded by economic theoreticians for the last three hundred years. The article also makes use of specific cases or case studies to sharpen its main argument and support the conclusion reached. The discussion is situated firmly in the context of the harsh reality of imperialism. The west suffers from an acute case of amnesia when it comes to recognising imperialism ... and its role in destroying the cultural, economic and social roots of Africa's (admittedly slow) evolution into self-sustaining and respected members of the international community. Today, Africa's economy is shattered – devastated – by the so-called 'free trade' dogma. I can say with some degree of authority as a political-economic historian that there has never existed anything called 'free trade' – never.

Résumé

L'argument principal de cet article est que, à notre époque, la résistance contre la domination impériale est la première règle de l'action de développement. Comment suis-je arrivé à cette conclusion? J'en suis arrivé à travers un regard critique sur les théories de développement existantes, et ma participation active à plus de cinquante ans de lutte pour « développer » l'Afrique. Cet article aborde divers aspects de la théorie et de la pratique du « développement », en se focalisant principalement sur la théorie telle qu'exposée par les théoriciens économiques au cours des trois derniers siècles. L'article se fonde également sur des cas spécifiques ou des études de cas pour étayer son argument principal et soutenir la conclusion. Le débat se situe bien dans le contexte de la dure

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réalité de l'impérialisme. L'Occident souffre d'un cas aigu d'amnésie lorsqu'il s'agit de reconnaître l'impérialisme ... et son rôle dans la destruction des racines culturelles, économiques et sociales de l'évolution de l'Afrique (certes lente) vers des membres autonomes et respectés de la communauté internationale. Aujourd'hui, l'économie de l'Afrique est brisée – dévastée – par le soi-disant dogme « de libre-échange ». Je peux dire avec une certaine autorité en tant qu'historien politico-économique que il n'a jamais existé quelque chose appelé « libre échange » – jamais.

Introduction

Development is not reducible to 'growth'. In fact, 'growth' and the 'GDP' (Gross Development Product) are laughable concepts. They are paraded by academic economists (sadly also in the universities in Africa and the South) as well as by institutions such as the IMF, the World Bank, and the World Trade Organisation (WTO) as their key concepts for measuring 'development'. Unpack (or to use a fancy word – 'deconstruct') 'growth' and 'GDP', and you will find a can of worms.

Study the GDP of, for example, the US and the UK. The more bombs they produce and deploy – mostly outside of their own countries – the more their GDP grows!¹ The US is fighting 74 different wars ... that the government will publicly admit. ² Every time the US unleashes war, its GDP grows ... and so does the misery of the rest of the world. And when the latter countries rebuild their economies (often by American corporations, as in the 2003-11 Iraq war), it is now these countries that show increased GDP! It is truly bizarre.

There are billions of people on earth that have inadequate access to food, fuel, housing and medicines; and yet the world's GDP grows by the year. By official reckoning, Africa has been 'enjoying' an enviable 6 to 7 per cent growth a year for the last several years, and yet millions of people are 'internal refugees' – denied elementary access to means of survival – whilst thousands perish in the Mediterranean. At the time of writing this article, the European Union was drawing up plans for military attacks on Libyan targets to stop migrant boats – to cut the 'supply side', as they say. Britain was drafting a UN Security Council resolution that would authorise it to bomb vessels used by human traffickers around Libya – offshore and inshore. And so it goes – the more Europe bombs the more Europe's GDP increases!

Another 'laughable' addition to the GDP of the world is the drugs trade. Statistics about profits from the drug trade are largely difficult to secure because of the trade's illicit nature. In its 1997 *World Drugs Report* the United Nations Office on Drugs and Crime estimated the value of the market at

\$4 trillion, ranking drugs alongside arms and oil among the world's largest traded goods.³ An online report published by the UK Home Office in 2007 estimated the drug market in the UK at £4-6.6 billion a year.⁴ In 2013, the United States Drug Enforcement Agency made 1,501,043 arrests for drug law violations.⁵ And so it goes ...the more arrests are made and people thrown into jail, the more the United States' GDP grows! What can be more ridiculous as a measurement of 'growth' or 'development'? It is not just laughable – it is tragic!

All Economic Theories are Ideologies

All economic theories, without exception, are ideologies. As such, they have a certain descriptive content based on social, economic and political realities on the ground, and also a normative content – on how society or economy should be organised. The descriptive part is subject to empirical verification. It is the normative content that distinguishes one ideology from another, for that is derived from a subjective assessment of one's values guided by one's circumstances. When an ideology is shared by a group or a collection of people, it acquires the identity of that group – class, race, gender, religion, and so on. The interesting thing for social historians is that the dominant classes have always managed to hide or obscure their class identities and the ideological content of these theories. This is not through deliberate manipulation by the educational and media infrastructure (although that too), but essentially because the ruling classes genuinely believe that their economic theories are 'scientific' and beneficial to everybody.

There is a vast literature on this subject, and therefore I will be brief and limit myself to demonstrating – in broad strokes – the fundamentally Eurocentric (or Euro-American-centric) basis of the dominant economic theories that have reigned ever since the rise of capitalism as a world system, some five hundred years ago. I do not particularly like to go into the history of economic theory (because this might be a familiar subject to many of the readers of this article), but it is important that we go through this for the sake of those who are not familiar with it – in order to clearly lay out the ideological terrain that is at the root of the developmental crisis of our times.

From the Physiocrats to the 'Chicago School'

The ideology of this epoch is spawned and spread by the dominant ruling classes that control global capital. Significantly, this ideology has remained more or less intact over the last 300 years. In the eighteenth century, the mainly French economic thinkers collectively known as the *Physiocrats* argued that agriculture was the basis of all wealth. But in the nineteenth

century, and in particular since the Napoleonic Wars in which England defeated France, the English managed to beat the French in being the first nation to industrialise, and to spread its mercantile empire throughout the global system.

Adam Smith's *Wealth of Nations* (1776) more or less codified and systematised the mercantilist-colonialist argument. He argued, essentially, that left to the free market, its 'invisible hand' will allocate national and global resources to their most efficient, an argument further refined by David Ricardo with his theory of comparative advantages.

America, then a colony of England, was persuaded by the English to specialise in the production of agricultural commodities (cotton, tobacco, etc.), where, the English argued, its 'comparative' advantage lay – leaving it to England to do the manufacturing. Alexander Hamilton, among others, challenged the theory, and out of this was born the American School of economics rooted in Hamilton's economic principles, which was that America needed, also, to industrialise, and therefore needed its natural resources at home and not exported to 'mother' England. Hamilton was what we would call today a 'nationalist'.

Frederick List, a German who lived in America in the 1820s, adopted Hamilton's ideas and argued that the English classical theory would deny Germany a chance to industrialise. Having industrialised, England was now 'kicking the ladder' over which it had climbed so that nobody else could compete with it. The Listian principles provided the ideological argument for Germany to challenge the 'free trade' principles and in favour of state support (in the form, for example, of subsidies and tariff protection) to German industry in the 1860s and beyond. List is the founder of what later came to be identified as the 'German historical school of economics'.

The Americans and the Germans used the Hamilton-Listian principles to undertake what we today would call an 'anti-imperialist struggle' – resistance against the domination of England and Europe. However, as soon as America and Germany became industrial nations, they, in turn, became imperial nations themselves. Hamilton and List were quickly put into the dustbin of economic theory. The United States and Germany have today become the champions of 'free trade' theory, the very ideology they challenged when it was propounded by England.

While the 'classical' economic theory was challenged by Hamilton's American School and List's German School from a nationalist perspective, it was also challenged by another German – Karl Marx – from a class perspective. Industrialisation was all very well, Marx argued, but the owners of capital were exploiting the workers and appropriating the surplus value in an endless

pursuit for profit and accumulation of wealth. In the face of this double assault - nationalist and workerist - the English had to go back to the drawing board to invent another theory. Towards the end of the nineteenth century came the 'neoclassical economics' - commonly associated with Alfred Marshall who tried to formulate 'economic science' as a counter to the 'political economy' of Marx. The labour theory of value (of Adam Smith and Marx) was displaced in favour of the 'marginal utility theory of supply and demand'.

The search for an anti-Marxist economic theory led to the spawning of other ideas, such as the 'Austrian School' most commonly associated with Ludwig von Mises and methodological individualism - deductive economics based on axiomatic truths about human behaviour.

None of the economic theories (classical, neoclassical, Hamiltonian, Listian, German historical school, Austrian school, among others) came to save Africa from savage colonisation.⁶ Why not? Because they were all ideologies to serve the imperial interests of the ruling classes in Europe and America. Even then, furthermore, these economic theories were not enough of an ideological cover for Africa's predation. They had to be embellished by a missionary ideology - 'the white man's burden' to 'civilize' Africa.

In his *General Theory* (1936), Keynes challenged the assumptions of classical and neoclassical economists and offered an alternative paradigm based on direct state intervention in the economy to counter the negative effects of free market economics. But Keynesian economic theory was also an ideology that served the imperial interests of England.⁷ It should be clear to the reader that all these economic theories (including Keynesian) masquerading as 'science' were essentially self-serving Eurocentric ideologies. When it came to colonising Africa, neither the 'nationalist' ideas of Hamilton and List, nor the state-interventionist ideas of Keynes mattered. They did not apply to Africa. There was a racist dichotomy to their ideas - emancipatory when it came to Europe, America, Canada, Australia, New Zealand, and *apartheid* South Africa, and imperialist when it came to the rest of the world.

Fast forwarding to our own times - from the mid-1980s to about 2007/8 - Keynes' ideas were reduced to the margins of economic theory.⁸ The dominant economic theory came not from Europe but America. The 'Chicago School of monetarist economics', commonly associated with Milton Friedman, now became the dominant economic theory. Friedman replaced Keynes as the leading ideologue for capitalism and imperialism. According to the monetarist theories, the cyclical or aberrant disturbances in the economy were purely short-term (not structural or what I would call 'systemic'). These, Friedman argued, could be addressed by proper monetary policies. There was no need to overhaul the entire global economic system - it was working

just fine. There was no need for state intervention in the economy (this was ‘communist ideology’); left to itself the market was working well. If there were countries that were out of trade balance, all that was needed were some well-packaged austerity and IMF-enforced austerity measures.⁹

The Chicago school of economics went back to Ricardian Classical and Marshallian Neoclassical economics with further refinements employing growth models, econometrics, and game theory. Everything was ‘scientific’, measurable, and governed by the ‘invisible’ hands of good old Adam Smith. Among others, the ideas of David Ricardo, Bertil Ohlin, Jacob Viner and Harry Johnson were taken out of the closet to provide spurious historical ‘authority’ to creditor-oriented monetarists.

Neoliberalism and the Washington Consensus

This dominant mode of Euro-Americo-centric economic thinking became part of the universal ‘truth’, now called neoliberalism. After Thatcher and Reagan came to power in Britain and the US respectively, these ‘truths’ became the instruments to pry open the rest of the world to the command of the dominant Anglo-Saxon capital. This was ‘globalisation’. The free market had full sway. The regulatory mechanisms of the Keynesian-New Deal era (such as the Glass-Steagall Act) were set aside for banks and other financial institutions to engage in no-holds-barred accumulation of profits. Money became the means to make more money without passing through the phase of production.

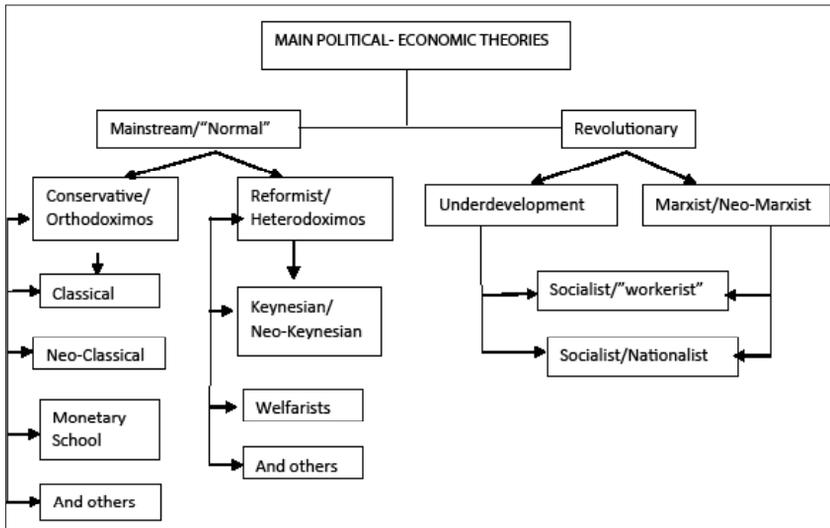
In the hands of the IMF and the World Bank, these economic ‘truths’ were imposed on the debt-stricken countries of the South as Structural Adjustment Programmes (SAPs), fittingly called the ‘Washington Consensus’ - a consensus designed within the cloistered walls of Washington. Once again, as so many times before, the Eurocentric collective predatory system was imposed on the South. Then fell the Berlin Wall in 1989. In the ensuing Western triumphalism, whatever regulatory mechanisms existed to control capital were dismantled. This put in a dominant position a rent-seeking financial sector whose insatiable pursuit of money accumulation led to all kinds of Ponzi schemes.¹⁰

The neoliberal ideology continues to shape the economic policies of the dominant countries – the US, Germany, Britain, France and Japan – and the institutions of global economic governance – principally the IMF, the World Bank, and the WTO. Among the neo-Keynesians, Joseph Stiglitz and Paul Kruger are decorated as Nobel Laureates, along with ‘welfare economists’ like Amartya Sen. These are joined by a host of other economists and theoreticians, among them, for example, the revived German Historical School, structuralist economists, ecological economists, gender economists,

institutional economists, biophysical economists – each group adding a dimension to exposing the inequities of the dominant neoliberal paradigm - in an eclectic alliance of the so-called orthodox and heterodox, but still essentially Euro-American-centric ideologists.

The main political-economic Euro-American-centric tendencies describing themselves as ‘development theory’ can be presented graphically as in Diagram 1.

Diagram 1: Main Political-Economic Theories and Tendencies



Two conclusions can be drawn. One, these 300-year-old ideologically conservative or at best reformist mainstream or ‘normal’ political-economic theories have brainwashed generations of economists (sadly also in the ‘best universities’ of the global south). They are the ideological glue of imperialist theories and are essentially exploitative and racist. They have to be completely demolished and delegitimised for the system they uphold also to be delegitimised.

Two, a major challenge for the theoreticians of not only the global south but also of the marginalised peoples and sub-nationalists of the north is to provide an alternative definition of development.

Development is a Process

Development is a process. The process is resistance – relentless opposition to the imperial system... until liberation. This has been the story of the liberation struggles against colonialism and imperialism in the South for over a hundred

years. I might add that there are now pockets of resistance even in the North against the above-described dominant ideological tyranny, though some of these – such as in Greece – are still in the early stages of their resistance. The Syriza-formed government is mobilising the people to challenge, to resist, the austerity programme and ideology of the dominant imperial powers of Europe and their triad institutions – the European Commission, the European Central Bank, and the International Monetary Fund. What will come out of this ‘war’ between the European political-financial establishment and the people of Greece is still an open question. In the United Kingdom, the 7 May 2015 election has put in the frontline the Scottish National Party (SNP) that, like Syriza, has challenged the austerity-based ideology of the ruling Conservative Party; it has also opened the space for Scottish independence.

Let me elaborate this concept of development as resistance further. In contrast to the OECD’s ‘delivery concept of development’ as an act that pours money and technical assistance into the ‘poor’ recipients that are assumed not be able to think, act, plan or implement for themselves, without being monitored and evaluated by the donors, I argue that development has essentially two components.

One, development is self-defined. It cannot be defined by outsiders. Within the national framework, it is defined in an evolving democratic process as part of the national project. In this long evolutionary development process, decision-making and control over national resources pass into the hands of the population and their democratic institutions.

Two, development is a process of self-empowerment. As the struggle for gender equality, for example, teaches us, development is a long process of struggle for liberation from structures of domination and control, including mental constructs and the use of language. This struggle is waged between nations, within nations, within communities, and even within households.

If you read the above two points again, you will see that the definition fits the situation not only in the global south, but also in nations like the Greeks’ and the Scots’ in Europe, and ‘the nation of Islam’ in the United States.

Learning from Nyerere

I might add that I am not saying anything original. I have learnt from a practitioner (not a mere theorist) of development – namely, the late Mwalimu Julius Nyerere, the first president of Tanzania, and the founding spirit behind the South Centre. In all his active political life (1958 to 1999) he wrote on what he practiced – a genuine ‘philosopher king’.¹¹ These are some of his ideas on the subject:

- Development is a process; it starts from within the individual, communities and the nation;
- It is the realisation of the potential for self-support and contributing to society;
- It involves the building of self-confidence;
- It aims at leading lives of dignity, which include gainful employment that helps individuals to meet basic needs, security, equity and participation. These lead to self-fulfilment;
- It is freedom from fear of want and exploitation;
- It is freedom from political, economic and social exploitation;
- It is the continuous struggle for the right and access to decision-making that affects the life and livelihood of the individual, the community, the nation and the region.

These ideas form the ideological glue of development. Borrowing from Nyerere, and against the background of the struggle for emancipation from colonial and imperial economic exploitation and national oppression, development from a Southern perspective may be defined by the following formula:

$$\text{Development} = \text{SF} + \text{DF} - \text{IF}$$

where:

- SF is the social factor – the essential well-being of the people free from want and exploitation;
- DF is the democratic factor – the right of the people to participate in decision-making that affects their lives and livelihoods;
- IF is the imperial factor – the right of a nation to liberation from colonial and imperial domination, which follows from the right to self-determination.

To put it succinctly, development, in its most inclusive sense, means the satisfaction of the basic material and social needs of the people (especially those most vulnerable) through a system of governance that is democratic and accountable to the people, and through eliminating imperial interventions in developing societies. One might argue that these are also the goals of all self-respecting economic theoreticians in the west, and of all the institutions of global governance – such as the IMF, the World Bank and the WTO. But when you look at how their so-called ‘development goals’ are to be achieved, it should be obvious that these theorists and these institutions have not moved one inch from the 300 years of imperial ideology – an ideology that has changed in form and text but never in substance.

And what is the substance of imperial theories? In its present form, it boils down to the following formula:

Development = Growth + Wealth accumulation+ trickle down where:

- Growth = open markets + foreign investments + good governance (as defined by developed country donors and the multilateral agencies that they control);
- Wealth accumulation = ensuring that the rich continue to get richer and are able to amass fortunes;
- With trickle-down effect of some of the benefits of growth to the poor.

It is fair to add, however, that the imperial countries that follow the 'social democratic model' have a variation of the growth model in their own countries, expressed, in simple terms, as the following:

Development = Growth + Open markets + wealth accumulation + Good governance + Redistribution

Where:

- Growth = Open markets + foreign investments ;
- Wealth accumulation = Ensuring that the rich continue to get richer and amass fortunes;
- Good governance (as defined by the donors and the multilateral agencies that they control);
- Redistribution = Taxing the rich to give to the poor (usually taxing the less poor and the middle classes, for the rich employ lawyers and accountants to hide their wealth and outwit the tax collector).

But this formula does not work even in the West – let alone in their poor caricatures in the global South. The world has become more unequal over the last 50 years than over the preceding one thousand. The OECD's 2011 study – 'Divided we Stand: Why Inequality Keeps Rising' – revealed that globally the rich-poor gap has widened in the last decade. Between nations this is clearly evident. But even within advanced countries – including the 'egalitarian' states such as Germany, Denmark and Sweden – the rich-poor income and welfare gap is growing.

What it does not say is that there is no possibility of 'distributive solution' within the present system that is structurally engineered to produce inequality. The revolutionary political and social forces, even in the west, are weakening in relation to the power of global corporations and a global bankocracy.

Development as Defined for the Global South

The formula from the Southern perspective (Development = SF + DF - IF) is not only national, but also regional and even continental. It is also the basis for expanding it to South-South cooperation. Here too, Nyerere made a unique contribution. He was not only a great nationalist leader, but also a visionary Pan-African and third world leader. In the 1980s, he chaired the South Commission set up by the developing countries. The political rationale and teleological direction of the South Commission Report was succinctly summarised by Nyerere in these five headings:

1. Development shall be people centered;
2. Pursue a policy of maximum national self-reliance;
3. Supplement that with a policy of maximum collective South-South self-reliance
4. South-South self-reliance;
5. Build maximum South-South solidarity in your relations with the North;
6. Develop science and technology.

So much for the theory: let us come to the reality on the ground.

The Reality of Imperialism

We must first come to terms with the concept – and reality – of imperialism. If one has not understood imperialism, one has understood nothing about the relationship between the North and the South, or between the West and the rest.¹²

Western Denial of the Reality of Imperialism

Paradoxically, people in the West, including well-meaning NGOs and people otherwise sympathetic to Africa, have difficulty recognising the reality of imperialism. They are in a state of denial about imperialism. I have sought to find an explanation in both Western culture and history to illuminate this mental blockage, but I have not come up with a good answer. For example, I have often wondered why Hitler is described in almost all Western literature as a 'fascist' but never as an imperialist. Could it be that calling Hitler an imperialist is too perilously close to looking at a mirror image? Today, many Westerners, including intellectuals, deny the existence of imperialism. Let me illustrate this from my own experience. In November 1995, in Maastricht in the Netherlands, I was engaged in a public debate with Herman Cohen, a former US Under-Secretary of State for African Affairs, and at the time

in the governing executive of the Global Coalition for Africa (GCA).¹³ The debate was on 'democracy and governance' in Africa. When I used the word 'imperialism' to describe the situation in Africa, Cohen countered by saying I was 'anachronistic', and that imperialism was simply 'a figment of Tandon's imagination'. I did not have to answer him; Africans amongst the audience gave him several concrete examples of imperialism. One of these people was Aminata Traore, one-time Minister of Culture and Tourism in Mali. She told Cohen that she was disappointed that as a top official of the Global Coalition for Africa he had no understanding of imperialism or the reality of Africa.

In another instance, in February 1997 I attended a conference in Oslo on Agenda 21 (i.e. sustainable development). I shared the platform with the influential consultant to the Brundtland Commission, Lloyd Timberlake.¹⁴ He was at the time also the Director of the World Business Council for Sustainable Development. He countered my description of the present reality in Africa as dominated by imperialism by suggesting that I was 'out of date', and that he had not heard the word imperialism 'for the last thirty years'. At first I was astonished, but then I realized that the audience - largely Norwegian - was probably in agreement with him. I had to tread carefully in order not to alienate my friends in the audience. So, without challenging Timberlake directly, I suggested - using an idiom I borrowed from my environmentalist friends - that because England can use Uganda's resources, its 'ecological footprint' is much bigger than Uganda's. I doubt if he understood my point, for he stared at me vacantly. He did not understand that this was because whilst Uganda had become 'independent', England, as an imperial country, continued to exploit and consume Uganda's resources and so had a bigger 'footprint'. I wondered: how does one 'educate' a person who is in a state of denial about the global political environment? Why should Timberlake's ecological environment be so real to him but not the political imperial environment? How did he manage to separate the two?

Imperialism and Neo-colonialism Defined

Imperialism is a particular kind of relationship that arose in the wake of colonialism. It may not be reduced to any kind of asymmetrical power relationship. Could the relations between the USA and Europe, for example, be described also as imperialist? No. Why not? Because although they have unequal power, at the global level they are both imperialist powers; they are partners and competitors at the same time. For instance, American and European companies compete in the telecommunications market. But if Zimbabwe, or Iran, or Cuba (or Syria, Somalia or Venezuela) 'step out of line', the US and the European Union will gang up to bring 'order' -

cut off their gas and water, as it were, to 'bring them back into line'. No, imperialism is not any relationship between two unequal powers. It is a historically created phenomenon; you cannot discuss it in the abstract. Concretely, the imperialist nations compete and collaborate to maintain a system of production and consumption based on the exploitation of the rich resources - including labour - of the South.

Lenin's definition of imperialism as the 'highest stage of capitalism' is a good analytical extension of the Marxist theory of Capital up to 1880s and beyond. Students of international relations, especially those from the South, might want to read Lenin's classic text on imperialism¹⁵. Below I lay out imperialism's main characteristics as defined by Lenin:

1. Concentration of production and monopolies
2. The new role of banks
3. The emergence of finance capital and the financial oligarchy
4. Export of capital
5. Division of the world among capitalist associations
6. Division of the world among the great powers
7. Imperialism as a special stage of capitalism
8. Parasitism and decay of capitalism

Imperialism is not a fleeting phenomenon; it is part of our present reality. Fifty years after Lenin's book, Kwame Nkrumah, the first President of Ghana, wrote a book (whilst still President) entitled *Neo-Colonialism: The Last Stage of Imperialism*. This is what he wrote in the introduction: 'The neo-colonialism of today represents imperialism in its final and perhaps its most dangerous stage... The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside'.¹⁶

Fifty years since Nkrumah's book, neo-colonialism – as defined by Nkrumah – is still with us. If anything, imperialism has become even more aggressive. Why? Because it is now under serious challenge from younger generations of third-world peoples and social activists, even in the West.

Selected Case Studies of Resistance against Imperialism

Palestinian Resistance against Americo-Jewish Imperial State

The state of Israel is a Euro-American creation. Its birth has four undeniable historical roots. One is the persecution of the Jews in Europe for centuries, culminating in Hitler's holocaust. The second is the export (dumping) of

this centuries old European problem to the Arab Middle-East – a process that began in the 1880s but ended in the creation of the state of Israel in 1948. The third is the institutional backing of the creation of Israel by the United Nations. Very few countries of the South were members of the UN. India voted against the resolution, and so did the then already sovereign Arab states. Virtually the whole of Africa was still under European colonial rule. The Palestinians were not consulted. And the fourth is the massive military power supplied to the Jews by the West to oust Arabs from their homelands in Palestine.

The state of Israel was born in blood and violence –sadly some of us know little about the second book of the Torah – the Exodus – and the hardships 600,000 Jews suffered in escaping from slavery in Egypt in 6th Century BC. In our time, Israeli security forces have killed at least 700,000 (some say a million) Palestinians in their quest for statehood. During the Six Day War in 1967, Israel captured the West Bank and Gaza Strip from Jordan and Egypt, and since then Israel has not stopped colonising the rest of Palestine.

Under the 1948 division of the land of Palestine, the Jews and the Palestinians were to create their own states. But this – the ‘two state’ formula – was a deception. As a young man I grew up believing in the cause of the Jews for a state of their own, especially after reading Leon Uris’s ‘*Exodus*’. Later, as a young Socialist, I read about the kibbutz and moshav (agricultural cooperatives) movement, and I dreamt of visiting one of these cooperatives. I never made it. In 2012 I was finally able to go Palestine. I was in Ramallah for over a week. And what I saw simply shattered me. In the 1980s and 1990s, I used to go to South Africa (from Zimbabwe where I lived) invited by the underground resistance movement. I can say with complete honesty that what I saw in Ramallah, East Jerusalem, and Jericho was far worse than *apartheid* South Africa. The Palestinian Authority (PA) was hopelessly ineffective in addressing the basic problems of the people (such as access to water, and the right to visit families and relatives across the hundreds of Israeli barriers and check-points they had to cross). The PA was spineless when it came to ‘negotiating’ with Israel – or the ‘Quartet’ of ‘mediators’ that was led by the United States.

Development of Palestine, unequivocally put, is resistance against the Americo-Jewish Imperial State. As *apartheid* South Africa had ceased to be morally unsustainable, so today *apartheid* Israel has lost moral legitimacy.¹⁷

Resistance by a Sanctioned Country - the Case of Iran

Western sanctions against Iran began in 1979 – some thirty years ago. The sanctions are quite comprehensive. The West has frozen an equivalent

of \$100 billion of Iran's money in foreign banks since the 1979 Iranian Revolution. The US total economic and financial embargo includes:

- Sanctions on the energy sector, which provides about 80 percent of government revenues;
- Sanctions on the sale of aircraft or repair parts to Iranian aviation companies;
- Sanctions on Iranians engaging in any transactions with American citizens;
- Information embargo, including on the state broadcasting authority. The US and the West do not want the rest of the world to hear the Iranian side of the story;
- Sanctions on major Iranian electronics producers;
- Sanctions on internet policing agencies such as the Iranian Cyber Police;
- Sanctions on companies doing business with Iran. Any United States property held by blacklisted companies and individuals are subject to confiscation.

The US is supported by its North America Treaty Organization (NATO) 'coalition of the willing' states:

- The EU has comprehensive sanctions measures covering trade and financial and other services (e.g., shipping);
- Canada has put a ban on Iranian national property deals, a ban on arms and oil technology, as well as a ban on investments in Iran;
- Australia has imposed financial sanctions and a travel ban on individuals and entities involved in Iran's nuclear and missile programs;
- Switzerland has banned trade with Iran in dual-purpose arms and products used in oil and gas sectors, and a ban on financial services;
- Japan has banned some Iranian banks and investments in Iran's energy sector, and has frozen the assets of some individuals (but interestingly, Japan has not imposed a trade ban on oil, for
- South Korea has imposed targeted sanctions on 126 Iranian individuals and companies.

As for Israel, it has declared Iran an enemy state. At the center of it is the issue of nuclear weapons. Iran claims it wants the nuclear energy to supplement its depleting oil resources. The US and Israel claim that Iran wants nuclear power to wage war. They claim that Iranian nuclear potential is a threat to 'global peace and security'. And so, the sanctions cannot be lifted until the nuclear issue is first resolved to the satisfaction of US, Israel, and Europe.

There is no question that sanctions are hurting Iran's economy. On the other hand, Iran has cleverly used sanctions as a means to restructure its oil

deals with other foreign companies. Iran has set up a system of 'buyback contracts'. The National Iranian Oil Company (NIOC) makes an agreement with foreign corporations to jointly explore and develop an oil field. The NIOC remains in full control of the project. When the contract expires – usually after five to eight years – the Iranian state becomes the sole operator, keeping all revenues from further sales. And if a dispute arises between NIOC and the oil company, the matter might be taken out of the hands of the disputants by an Islamic court.¹⁸

This is in sharp contrast to the system forced on Iraq by the US. Under a 'production-sharing agreements' (PSA), the Iraqi state technically owns the oil, but its control is nominal. The PSA is just another name for the classic colonial form of concessions. It gives the foreign company monopoly rights to develop and manage an oil field for between twenty-five and forty years. During this period the terms of the contract are fixed and cannot be legally altered by Iraq. The reserves are entered into the company's balance sheets as the assets of the company, which is entitled to decide on the rates of their extraction (that is, their depletion) and other production details as it see fit. There is no upper limit on profits. If disputes arise, these are solved not in Iraq's courts but in international arbitration tribunals.¹⁹

Of course, Western trade and financial sanctions have left a big hole in Iran-Western relations, but that hole is significantly filled by the BRICS countries – Brazil, Russia, India, China and South Africa – as well as other smaller countries of the South. They do not share Western enthusiasm for sanctions against Iran. Oil is a major resource. Iran is able to barter oil for goods and services from non-Western countries. India, for example, pays for Iranian oil imports in rupees. This is potentially damaging to the supremacy of the 'mighty' US dollar.

The US Empire is not blind to this 'other reality'. Nor, indeed, is Iran oblivious to the need for some kind of compromise. In the recent (2014-15) negotiations among Iran and the P5+1 (the five permanent members of the Security Council – the United States, Russia, China, France, United Kingdom – plus Germany), there appears a window of opportunity for some kind of compromise. Iran agreed to roll back parts of its nuclear program, and an increased amount of international inspections, in exchange for relief from sanctions. However, at the time of writing this paper, there have appeared differences in the interpretation of what was actually agreed, and how the process was expected to move forward. At the center of this controversy is whether the sanctions are to be lifted in their entirety (Iran's position) or in phases (US position). But, of course, everybody knows that behind this blockage lies the lobbying power of Israel in the United States.

For Iran, there is no question of bending to the will of either Israel or the United States. That is not the road to its development.

It is the West that unilaterally decoupled Iran from the world economy. But Iran has survived. Iran's defiant resistance has paid off. After many false starts since 2006, on July 2015 Iran and the six world powers – the US, the UK, China, Russia, and Germany (P5+1) finally signed a deal. Iran agreed to limit its nuclear activity and to give the International Atomic Energy Authority (IAEA) full access to its nuclear facilities. In return the West agreed to lift the sanctions that have been in place since 1979. Prime Minister Benjamin Netanyahu of Israel called it a 'stunning historic mistake'. Iran's President Hassan Rouhani called it a 'historic deal' that opened a new chapter in Iran's relations with the world.

So what do we learn from Iran? The answer is clear – it is resistance against imperial dominance... not surrender to the will of the Empire. The West had thought that sanctions-induced economic austerity would give rise to disaffection on the part of ordinary Iranian people, and thus eventually to a 'regime change'. The West had been harboring this illusion for thirty years. All these years, the West had learnt nothing of the deeply rooted anti-imperialist sentiment of the Iranian people. Also, the mainstream economic theoreticians have learnt nothing that when it comes to the relations between the Empire and the Global South, development is resistance to imperial domination.

EPAs – East Africa's Resistance against European Imperialism

African countries achieved their political independence at various times after a long – and often violent – struggle against the European imperial powers. However, economic independence still remains an unachieved goal. Let us recall Nkrumah: *'The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside'* (Ibid).

Soon after francophone countries gained their political independence in the 1960s, the Europe Union (EU) got them to enter into an economic agreement at Yaoundé in 1963. In 1969 (to cut a long story short) the EU then signed a separate agreement with the three East African countries (Kenya, Uganda and Tanzania) called the Arusha Agreement. The EU also signed similar agreements with other former colonies in the Caribbean and the Pacific. During the 1970s, the EU decided to bring all these African, Caribbean and Pacific (ACP) countries into a common trading and financial system. The system was further tightened in 2000, with the Cotonou

Agreement between 79 ACP countries and the EU. All these former colonies were now in a tight neo-colonial grip of the European Union. The Cotonou Agreement (CA) is, to this day, the principal framework agreement between Europe and Africa. Signed in 2000 the CA was designed to last for a period of 20 years (up to 2020).

Despite the acknowledged principle of 'equality and mutual respect', the CA is an 'unequal treaty'. It is basically an agreement between two asymmetrical 'power blocs', the (real) power of the 15 (now 27) countries of the EU speaking with one voice coordinated from Brussels, pitted against the (fictitious) power of the 79 ACP countries speaking with many voices: the EU's per capita GDP is about US\$20,000 in 2009, compared to about US\$9,000 in some Caribbean countries to less than US\$100 in the poorest African countries. Whilst the EU has a highly coordinated policy towards the ACP, the only coordination for the ACP (if this is what it must be called) takes place in the ACP House in Brussels. The Economic Commission (EC) provides for the maintenance of the ACP House, and *per diems* for ACP delegates to attend international conferences. Thus the ACP secretariat are supported and financed by the very body – the EC – with which they enter into negotiations about the future of their countries' economies.

Coming to the regional level, the East African Community (now expanded to include Rwanda and Burundi) has its Secretariat in Arusha. Slightly over 60 percent (\$78.17 million) of the EAC budget for 2014-15 was funded by the donors and 32 percent (\$41.9 million) by the five EAC governments. It is therefore not surprising that the EAC Secretariat – as well as the aid-dependent governments of the five countries – has been under unceasing and relentless pressure from the EC to hasten the process of signing the EPAs.

However, ever since the signing of Cotonou in 2000, the people of East Africa have been resisting the EU-imposed *diktat* over their governments. In 2007, for example, the Kenya Small Scale Farmers Forum (KSSFF) filed a case against their government arguing that the EPAs would put at risk the livelihoods of millions of Kenyan and East African farmers. On 30 October, 2013, the High Court ruled in KSSFF's favour. The Court directed the Kenya government to establish a mechanism for involving stakeholders in the on-going EPA negotiations, and encourage public debate on this matter. (The Government has substantially ignored this decision). The KSSFF is supported by a number of civil society organisations in East Africa – foremost among them the Kenya Human Rights Commission (KHRC) and the Southern and Eastern African Trade Information and Negotiations Institute (SEATINI). These organisations work closely with members of

parliaments of the five East African Countries and of the East African Legislative Assembly (EALA). They also work with the Geneva-based South Centre (the policy think tank of the Global South). The South Centre has provided detailed technical analysis that showed that the East African countries faced serious de-industrialisation if they signed the EPAs.

In 2012 the EC Trade Commissioner came to East Africa with an EPA text in his pocket confident that the East African Ministers of Trade and Industry would sign the agreement. Two days before his arrival, however, the EALA passed a resolution cautioning the Ministers against signing the agreement until all contentious issues were resolved. This resolution was binding on the Ministers. The EC Commissioner decided that the Ministers or the EALA did not matter. He phoned the President of one of the five countries that at the time was chairing the East African Summit of Heads of State – a normal imperial practice to overturn the democratic will of the people. (Democracy and good governance, it is important to note, are fluid concepts when it comes to Imperial-Neocolonial relationship). The EC Commissioner was astonished that the President gave him no audience; he had to return to Brussels empty-handed. The people had won ... at least in 2012.

Following this humiliating defeat, the EC increased its pressure at all levels – at Brussels, at East African national capitals, at the EAC Secretariat in Arusha, at the private sector with vested interests in signing the EPA agreement, and at the various Heads of States. The EC succeeded; but partly. It managed to get the EPA ‘concluded’ and ‘signed’ by the East African bureaucrats in Brussels in September 2014. In March 2015, however, the East African civil society organisations and the Kenya Small Scale Farmers Forum met in Nairobi, once again cautioning their governments against signing the EPAs without full consultation with various stakeholders and ratification. The struggle continues as we go to press.

Conclusion

First, development is not reducible to ‘growth’, or to statistical numbers. Development, above all, is a process. It is the process of people acquiring control over their own destinies. When these are denied by exploitative or oppressive forces, these must be resisted. Second, Africa’s political leaders are under illusion to believe that ‘development aid’ or ‘foreign direct investments’ will get them out of their development crisis. *It is important to understand what ‘capital’ is, how it is generated, and what its real function is. Money is a system of credits; and capital is past savings used for enhanced production. Both money and capital create masters of those who have these and slaves of those who do not. It is as simple as this.*

As the article has demonstrated, the Empire is not a figment of imagination. It is real. Most economists (as opposed to political economists) do not recognise the reality of imperialism. It is not there in their vocabulary or in their thought processes. Economic theory is an abstraction from reality. All economic theories, without exception, are ideologies. Speaking as an economic historian, I can say with some authority that there has never been anything called 'free trade' or 'fair trade' – never, not even in the so-called 'golden period' of the English mercantile system.

The dominant classes have always managed to hide or obscure their class identities and ideologies. It is our task to expose the fallacy behind the self-serving and the fundamentally Euro-American-centric basis of current dominant economic theories. These theories have to be completely demolished and delegitimised for the system they uphold also to be delegitimised.

As discussed in the paper, the developed or industrialised countries are not interested in the development of the countries of the South. They are only interested in their own development – through exploiting the labour and resources of the South. *Trade is War*. Over the last five hundred years – from slave trade to colonial trade to trade in our times – trade has been a relentless war of the imperial countries against the nations of the South. All development under conditions of exploitation and oppression is RESISTANCE. This still remains the case today as Africa seeks to liberate itself from the scourge of neo-colonialism. In our epoch, resistance against imperial domination is the first law of motion of development.

Notes

1. The United States spends more per year on the military than the next thirteen countries combined – \$711 billion compared to \$695 billion spent by China, Russia, UK, France, Japan, India, Saudi Arabia, Germany Brazil, Italy, South Korea, Australia and Canada. <http://www.zerohedge.com/news/2014-03-30/debunking-gutting-military-storyline>
2. <http://www.washingtonsblog.com/2013/05/u-s-currently-fighting-74-different-wars-that-it-publicly-admits.html>
3. "World Drug Report – Global Illicit Drug Trends". Unodc.org. Retrieved 2011-11-26.
4. <http://webarchive.nationalarchives.gov.uk/20110220105210/rds.homeoffice.gov.uk/rds/pdfs07/rdsolr2007.pdf>
5. <http://www.drugwarfacts.org/cms/Crime#sthash.MoRc8St.dpuf>
6. The only exception to this was the Marxist theory that interpreted history from a class and political-economic, materialist perspective
7. For a good, comprehensive – but desperately neo-Keynesian – analysis of this, see Nayak, Satyenda. 2013. *The Global Financial Crisis. Genesis, Policy Response and Road*

Ahead, Springer, 2013. For a more critical appraisal of Keynes see Tandon, Y. *Trade is War*, OR-books, 2015, pp 56-57

8. They were resurrected in the post-2007 financial-economic crisis by the so-called 'heterodox' theorists - what I call the 'heterodoximos' theorists. (see chart)
9. The Greeks and before the Greeks, the peoples of the global South, have been fighting these 'austerity'-led Economic 'restructuring', but at the time of writing, the power-holders of the banking system and the dominant classes within the Imperial states, have not yielded an inch of ground to the Greeks.
10. A Ponzi scheme is an investment operation where the 'operator' pays out to those who invest in the scheme not from real-time investment (and thus from profits) but from capital invested into the operation by new investors. This is the logic of the 'money credit system' - and exposed as a fraud.
11. See the excellent series on African political thinkers put out by the Centre Europe - Tier Monde (CETIM). In the Introduction to the one on Julius Nyerere I elaborate on why I think Nyerere was a Philosopher King. CETIM, 2015, pp 10-11.
12. Parts of this section is derived from my *Trade is War*, OR-Books, 2015.
13. The GCA was created around 1993, a brainchild of former World Bank President Robert McNamara. Its objective was 'to ensure that Africa remains high on the international agenda, to facilitate greater understanding of the development challenges faced by the continent, and to promote agreement on necessary actions to be taken by both African governments and their international partners. The GCA's agenda is focused on the broad themes of a) peace and security; b) governance and transition to democracy; and c) sustainable growth and integration into the global economy.' See <http://web.worldbank.org/Website/External/Countries/Africaext/0>. Nothing much is heard of the GCA anymore; it was simply a 'figment of the imagination' of Western imperialists like the World Bank that they could 'do the development' on behalf of Africa.
14. In 1983 the United Nations set up the World Commission on Environment and Development, headed by Gro Harlem Brundtland, the former Prime Minister of Norway. The Commission is also known as the Brundtland Commission
15. First published in mid-1917 in pamphlet form in Petrograd. See *Lenin (1963), Lenin's Selected Works, Vol. 1, Progress Publishers*, pp. 667-766. I should add that Lenin's pamphlet was not entirely an original work. Lenin acknowledged his debt to, among others, J.A. Hobson's *Imperialism: A Study* (1902).
16. Kwame Nkrumah (1966), *Neo-Colonialism: The Last Stage of Imperialism*, International Publishers, p. ix.
17. As I write these lines, The Vatican announced that it would formally recognise Palestinian statehood.
18. See Alexander Brexendorff and Christian Ule, "Changes bring new attention to Iranian buyback contracts", *Oil & Gas Journal*, 1 November 2004.
19. See Platform IPS, War on Want, Global Policy Forum, Oil Change, NEF (2005), *Crude Designs: The rip-off of Iraq's oil wealth*, Platform. (Download available from www.platformlondon.org.)

