(Notes I took years ago.)

Reading Walter Rodney's classic *How Europe Underdeveloped Africa* (1972). Like Robin Hahnel in *The ABCs of Political Economy* (2003), he postulates two main mechanisms of underdevelopment: exploitation through trade and exploitation through investment (i.e., imperialism). The former has to do with the *terms of trade*. For example, the big capitalist countries effectively establish the prices of minerals and agricultural products and "subject these prices to frequent reductions," thus harming Africa's economy (depriving it of revenue). They also set the prices of the manufactured products *they* produce, which of course are higher than those of the former category. *Imperialism*, on the other hand, as manifested for instance in Europeans' ownership of land and mines (and banks, factories, etc.) in Africa, entails the outflow of revenue from Africa to the foreign owners, which forestalls African development. It also takes the form of loans to African governments, which have to be repaid with interest. Again, an outflow of wealth.

"The things which bring Africa into the capitalist market system are trade, colonial domination, and capitalist investment. Trade has existed for several centuries; colonial rule began in the late nineteenth century and has almost disappeared [in the early 1970s]; and the investment in the African economy has been increasing steadily in the present century. Throughout the period that Africa has participated in the capitalist economy, two factors have brought about underdevelopment. In the first place, the wealth created by African labor and from African resources was grabbed by the capitalist countries of Europe [and the U.S.]; and in the second place, restrictions were placed upon African capacity to make the maximum use of its economic potential -- which is what development is all about."

In addition to all this, you have to take into account the fact that many African political leaders have for a long time been tools of the West and so haven't acted in the best interests of their people. Corruption, etc. And the frequent military coups and constant political instability have had an adverse impact on African development (as they did in Latin America).

Rodney's survey of Africa before the colonial era is instructive. Includes some good ideas, too. E.g., regarding the debate whether there was an "African mode of production" as some people say there was an "Asiatic mode of production," he simply states that his assumption will be that most African societies before 1500 were in a transitional state between communalism and feudalism -- "the practice of agriculture (plus fishing and herding) in family communities and the practice of the same activities within states and societies comparable to feudalism." They were slowly evolving, not on the basis of *class antagonisms* -- because in communalism there are no true class antagonisms -- but just on the basis of "the fundamental forces of production." All these myriad societies -- "pastoralists and cultivators, fishing societies and trading societies, raiders and nomads" -- were being "progressively drawn into a relationship with the land, with each other, and with the state, through the expansion of the productive forces and the network of distribution." In some cases, such as Ethiopia and Egypt, full feudal states emerged.

Before 1500, the techniques of agriculture in most of Africa were not quite as advanced as in Europe and other regions. Why? Because of the absence of classes. In Europe, for example, it was feudal landowners and, later, capitalist farmers who were responsible for the development of advanced techniques of production. "Where a few people owned the land and the majority were tenants [as in much of Europe], this injustice at a particular stage of history allowed the few to concentrate on improving their land. In contrast, under communalism every African was assured of sufficient land to meet his own needs by virtue of being a member of a family or community. For that reason, and because land was relatively abundant, there were few social pressures or incentives for technical changes to increase productivity."

In Asia, on the other hand, where much of the land was communally owned, it was the *state* that initiated tremendous advances in certain types of farming.

Rodney's discussion makes clear that manufactures and trade in Africa prior to European colonization were by no means as primitive as is commonly thought. The quality of many manufactured items was for a long time superior to that of Europe's manufactures (although in Europe, manufacturing was on a larger scale). Social stratification even in the more primitive parts of sub-Saharan Africa was also noticeable, families with the largest herds, for example, being socially and politically dominant, sometimes to the extent that a particular family became effectively the "ruling" one. Of course with military conquests, too, relations of domination and subordination developed.

Among the areas that were highly advanced in 1500 were the Maghreb, the Western Sudan (Senegal, Mali, Niger, and parts of Mauritania, Guinea, and Nigeria), Kongo, Benin, and even, to a lesser extent, Zimbabwe. All these regions and more were well on the way to sprouting full-fledged feudal kingdoms.

But then Europe got in the way. Rodney's argument is that over four and a half centuries, "Africa helped to develop Western Europe in the same proportion as Western Europe helped to underdevelop Africa." From the beginning, Europe determined that Africa's main export was to be human beings, who would be used to produce wealth in the Americas.

"The fact that Europe was the first part of the world to move from feudalism towards capitalism gave Europeans a headstart over humanity elsewhere in the scientific understanding of the universe, the making of tools, and the efficient organization of labor. *European technical superiority did not apply to all aspects of production, but the advantage which they possessed in a few key areas proved decisive*." (His italics.) Very true. Europeans had better killing-technology, and they were better at producing *practical* goods, as opposed to luxuries.

He gives many examples of how trade with Africa contributed to the economic development of Europe. For example, "gum from Africa played a part in the textile industry, which is acknowledged as having been one of the most powerful engines of growth within the European economy." And Africa's export of ivory was important. And don't forget that many of the products from the Americas would not have existed without the African slave trade. "It would have been impossible to open up the New World and to use it as a constant generator of wealth had it not been for African labor." Also, in England, "it was the county of Lancashire which was the first center of the Industrial Revolution, and the economic advance in Lancashire depended first of all on the growth of the port of Liverpool through slave trading." Several English banks, too, became large enterprises from the profits derived through slave trading. And James Watt, who invented the steam engine, was financed by slave owners. Etc., etc. Of course the U.S. too, through much of the nineteenth century, benefited enormously from slavery and the slave trade. [See Edward Baptist's excellent book *The Half Has Never Been Told* (2014).]

As for the negative impact of the slave trade on Africa, it isn't necessary to observe that the theft of tens of millions of healthy young people from the continent wasn't particularly good for economic development.

Aside from the slave trade, contact with Europe led to the stagnation of industry. "India is the classic example where the British used every means at their disposal to kill the cloth industry, so that British cloth could be marketed everywhere, including inside India itself." It wasn't as dramatic in Africa, but the effect was the same. "African and Indian trade strengthened British industry, which in turn [partly by investing profits in new technologies] crushed whatever industry existed in what is now called the 'underdeveloped' countries."

Trade with Europe ultimately remade the African economy so that it was dependent on Europe. Even to do business with each other, local economies tended to become reliant on Europeans as intermediaries (because of their command over the sea, which was an efficient way of trading). The former integration of African markets thus deteriorated. "It has now become common knowledge that one of the principal reasons why genuine industrialization cannot easily be realized in Africa today is that the market for manufactured goods in any single African country is too small, and there is no integration of the markets across large areas of Africa."

The main point is that *trade* with Africa stimulated *production* in Europe and America. Africa became oriented to mere trade, not production, exchanging raw materials for manufactured goods. But Africa's trade itself was of a destructive nature, not only because so much of it involved the selling of people but also because it was trade with *external* countries, not with other African markets (or only indirectly).

It should be emphasized, however, that until the 1880s, when Europe began to conquer Africa *militarily* and to dominate its politics, African countries and communities were by no means mere colonies of Europe. Politico-military structures were, on the whole, still independent. Evolution towards mature feudalism continued in many regions, with social structures and ideologies remarkably similar to those of European and Japanese feudalism.

But in the late nineteenth century things changed, because European capitalism had become so dynamic that it had to invest in undertakings outside the home market. The domestic scope for expansion was too limited; higher profits could be realized by investing abroad, controlling raw material supplies, and finding new markets. "Africa's greatest value to Europe at the beginning of the imperialist era was as a source of raw materials such as palm products, groundnuts, cotton, and rubber. [Hitherto it had mostly been ivory, gold, and slaves.] The need for those materials arose out of Europe's expanded economic capacity, its new and larger machines, and its increasing wage-earning population in towns."

Consider Egypt under Mohammed Ali (who ruled from 1805 to 1849) and afterwards. He tried to develop industry by instituting protective tariff walls around Egypt's "infant industries," importing experts from Europe, etc. The development of Egypt, however, was "diametrically opposed to the needs of European capitalism. British and French industrialists wanted to see Egypt not as a textile manufacturer but as a producer of raw cotton for export, and an importer of European manufactures. European financiers wanted Egypt to be a source of investment, and in the second half of the eighteenth century they turned the sultan of Egypt into an international beggar, who mortgaged the whole of Egypt to international monopoly financiers. Finally, European statesmen wanted Egyptian soil to serve as a base for exploiting India and Arabia. Therefore, the Suez Canal was dug out of Egyptian soil by Egyptians, but it was owned by Britain and France, who then extended political domination over Egypt and Sudan."

In some areas of the world, such as Latin America and Eastern Europe, political sovereignty was left in the hands of the local population even during the imperialist era. Not in Africa, though.

> European capitalists came to the decision that Africa should be directly colonized. There is evidence to suggest that such a course of action was not entirely planned. Britain and France up to the 1850s and 1860s would have preferred to divide Africa into informal "spheres of influence." That means that there would have been a gentlemen's agreement that, say, Nigeria would be exploited by the British merchants while Senegal would be exploited by Frenchmen. At the same time, both Englishmen and Frenchmen would trade in a minor way in each other's informal empire. But, firstly, there was disagreement over who should suck which pieces of Africa (especially since Germany wanted to join the grabbing); and, secondly, the moment that one European power declared an area of Africa as a protectorate or a colony, it put up tariffs against European traders of other nationalities, and in turn forced their rivals to have colonies and discriminatory tariffs. One thing led to another, and soon six European capitalist nations were falling over each other to establish direct political rule over particular sections of Africa.

Rodney also points out that racism played a large role in motivating Europeans to seek political domination over Africa. The "inferior race" had to be "civilized" by force. (Economics, after all, is not the *only* causal factor in human affairs.)

To repeat, the main theme of colonialism was the expatriation of surplus produced by Africans out of Africa and into Europe. Europe was developed in the same proportion as Africa was underdeveloped. In addition to this, the exploitation of African workers was incomparably worse than that of European workers, so much so that Africans had to supplement their wages with subsistence farming just to survive. Therefore, the profits that mining companies, for example, made from African labor were astronomical. "Superprofits."

The African working class under colonialism, however, was very small. By far most of the Africans involved with the colonial money economy were independent peasants growing produce such as cocoa, coffee, cotton, and palm oil to be sold to local businessmen (usually Arabs or Asians), who then sold it to Europeans. “The share of profits which went to middlemen was insignificant in comparison to those profits reaped by big European business interests and by the European governments themselves.” European trading companies “held the African farmer in a double squeeze, by controlling the price paid for the crop and by controlling the price of imported goods such as tools, clothing, and bicycles to which peasants aspired.” In fact, the terms of trade for African exports of raw materials and imports of manufactured goods deteriorated throughout the colonial period, not because of any objective economic law but just because “unequal exchange was forced upon Africa by the political and military supremacy of the colonizers.” The concept of the “protected market,” or the colony that has to accept whatever terms of trade are imposed on it by its overlords, highlights this fact.

In addition to all this private exploitation and more (e.g., some European banks made even higher profits than mining companies, ultimately by appropriating surplus produced by laborers), the colonial governments exploited their subjects by taxing them -- to pay the costs of their own subjugation. “Public works” projects were also common, whereby Africans were forced to work for a certain number of days per year on castles for governors, barracks for troops, prisons for their own countrymen, and roads, railways, and ports “to provide the infrastructure for private capitalist investment and to facilitate the export of cash crops.” It is well known, too, that forced labor was frequently used for the direct benefit of business interests.

“Men like Arthur Creech-Jones and Oliver Lyttleton, major figures in British colonial policy-making, admitted that in the early 1950s Britain was living on the dollar earnings of the colonies.”

Aside from the sheer financial gains from imperialism and colonialism, the metropoles benefited from the fact that the international-division-of-labor system stimulated the development of technology, skills, and the organizational techniques of the capitalist firm. “Indeed, colonialism gave capitalism an added lease of life and prolonged its existence in Western Europe.” A hard statement to prove, but probably true. As usual, Rodney gives many examples to support his argument. In a sense, however, one of the main points of his book is virtually a truism: without the metropoles’ relations with Latin America, Africa, and Asia, the capitalist system could hardly have achieved anything remotely comparable to what it has, and Western societies could not have become remotely as wealthy as they have. If the world consisted only of North America, Europe, and Japan, then yes, things in these places would be very, very different. The interesting part of his argument (which is really all of it) is in the identification of *mechanisms* of development and underdevelopment.

Among his many excellent points is the observation that exploitation of the colonies “took the edge off” the contradictions of capitalism in Europe, especially the contradiction between capitalists and workers. “Surplus from Africa was partly used to offer a few more benefits to European workers and served as a bribe to make the latter less revolutionary. The bribe came in the form of increased wages, better working conditions, and expanded social services. The benefits of colonialism were diffused throughout European society in many ways....” Lenin makes the same point, if I remember correctly.

Another good observation (randomly selected) is that we shouldn’t fetishize (in Marx’s sense) “investment” or think of capitalists as doing some great service to humanity when they invest their money in projects that happen to have constructive uses. “It is necessary to reevaluate the much glorified notion of ‘European capital’ as having been invested in colonial Africa and Asia. The money available for investment was itself the consequence of the previous robbery of workers and peasants in Europe and the world at large. In Africa’s case, the capital that was invested in nineteenth-century commerce was part of the capital that had been derived from the trade in slaves.”

Apologists for colonialism sometimes argue that, despite all its evils, it was at least responsible for modernizing Africa. Not true. “The most convincing evidence as to the superficiality of the talk about colonialism having ‘modernized’ Africa is the fact that the vast majority of Africans went into colonialism with a hoe and came out with a hoe.” Colonialism thus failed to change the technology of agricultural production. More generally, it failed to properly industrialize Africa. When indigenous industries did start to sprout, governments quickly blocked them on behalf of metropolitan industrialists. “Groundnut-oil mills were set up in Senegal in 1927 and began exports to France. They were soon placed under restrictions because of protests of oil-millers in France. Similarly in Nigeria, the oil mills set up by Lebanese were discouraged.” Africa was useful to the metropoles only as a source of raw materials. Skilled labor was, by and large, not allowed to develop.

Another obvious example of colonialism’s destructive impact on Africa was the phenomenon of “monoculture.” “The term ‘monoculture’ is used to describe those colonial economies which were centered around a single crop. Liberia (in the agricultural sector) was a monoculture dependent on rubber, Gold Coast on cocoa, Dahomey and southeast Nigeria on palm produce, Sudan on cotton, Tanganyika on sisal, and Uganda on cotton. In Senegal and Gambia, groundnuts accounted for 85 to 90 percent of money earnings. In effect, two African colonies were told to grow nothing but peanuts!” The disadvantages of monoculture, which at times became lethal to millions of people, are self-evident. (Utter dependence on metropoles, the risk of disease spreading across a country’s one crop, price fluctuations that left farmers helpless, a lack of agricultural diversification resulting in malnutrition and disease, etc.)

“The factor of dependency made its impact felt in every aspect of the life of the colonies, and it can be regarded as the crowning vice among the negative social, political, and economic consequences of colonialism in Africa, being primarily responsible for the *perpetuation* of the colonial relationship into the epoch that is called neo-colonialism.”