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SEMINAR ON MODES OF PRODUCTION

Topic : THE TRANSFER OF THE SURPLUS ABROAD

Meeting of Wednesday 29 November 1972

Presented by :

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- . Part presented by M. Founou.

Important Note: This outline is fairly detailed and can be used by the Fellows to organize their thinking. Consequently those presenting the topic will confine themselves to a maximum of half an hour to open the debate.

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THE UNILATERAL TRANSFER OF VALUES ON THE WORLD SCALE

INTRODUCTION

- 1) Nature of the transfer = Value and not "surplus"
- 2) Measurement = quantum of labour transferred unilaterally.
- 3) Fundamental forms of unilateral transfer of value
 - in the form of commodities and goods
 - in the form of labour power ⁽¹⁾
 - in monetary form.
- 4) Basic assumption : There is a world capitalist economy characterized by the domination of capital over other modes of production.
- 5) Method and outline
 - . method of : a) historical materialism which explains how the economic structure is the basis of the social structure.
 - b) criticism of the ideological concepts of bourgeois political economy ⁽²⁾.

Outline :

- . Economic determination of the unilateral transfer of value
- . Political determination ⁽³⁾
- . Overall results.

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- (1) We will not take this aspect into account here.
 - (2) We hope that the fellows will make a big contribution at this level.
 - (3) The ideological determination can easily be introduced.

I. Economic determination of the unilateral transfer of value

How the unilateral transfer can be the result of the structure of the world economy - this is the problem.

Basic assumptions : a) The world economy dominated by capital has two levels of hierarchy :

1. Structure of labour productivity (in surplus value)
2. Structure of the market (for goods and money)

b) The unilateral transfer of value refers only to surplus value (rate and volume), the level of wages being a datum (economic, sociological etc...)

Conclusion : The formation of the world production price makes possible a virtual unilateral transfer of value in favour of the most powerful branches and the most powerful enterprises. If therefore a "nation" is defined economically as a populated territory where the productive forces are combined within branches and as a portion of the structured world capitalist market, then there is virtually a unilateral transfer from the "nations" with productivity below the world average and with capital concentration below the world average to those where productivity and concentration are above this average. This transfer is strengthened by the existence of national currencies. In fact the currencies of the "biggest producers" and biggest "monopolists" will tend to be over-valued because in great demand, while that of the small producers, victims of great competition, will be under-valued, and this irrespective of any state intervention.

Moreover, production implies reproduction. The direction and volume of the unilateral transfer are affected by the currency in which

- part of the surplus value is converted into non-productive labour (purchase of services)
- the surplus value is distributed among capitalists (profit interest, rent, certain "wages").

II. Determination by economic policy.

Economic policy = steps taken by the leadership of a state to safeguard and extend its interests. This leadership does not always correspond to the government and parliament (when there is one).

What is the capacity of a state to act on the direction and/or on the volume (or rate) of unilateral transfer of value?

Argument : This capacity depends on the zone of influence (real and/or formal) of which the essential components are :

- capacity to practise an autonomous commercial policy
- capacity to alter the parity of the currency (problems of the present monetary and financial organization) autonomously
- capacity to correct the balance of payments autonomously.

III. Overall results : imperialism

- The complexity of the problem
- The assumption of a world capitalist economy on three floors

1st floor or lower floor

- Labour productivity below the world average
- Resident owners only on the lower floor
- State divided between foreign monopolies and local bureaucracy
- Economic policy - that of foreign monopolies.

The local bureaucracy does not succeed in playing any serious positive rôle in halting the movement of unilateral transfer.

2nd floor or middle floor

Labour productivity and monopolization corresponding to the world average.

Resident owners of capital fundamentally on the first and second floors.

- State divided between national monopolies and foreign monopolies.

- The economic policy tends to be confined to correcting the effects of the economic policy of the floor above. Within the state, the defenders of the interests of foreign monopolies and those of the "national bourgeoisie" tend to cancel each other out. The outcome of the struggle is never final.

3rd floor or higher floor

- Labour productivity and monopolization above the world average.

- Resident owners of means of production on all three floors.

- State composed of monopolies.

- Independent economic policy. The effects of this policy are left on all floors. Each "nation" on the floor reacts according to current conditions. Obviously, the capacity to resist the "negative" effects of the economic policy of any power depends basically on the economic structure and the ideological-political force of the leading fraction of capital.

Outline for Seminar : Transfer of Surplus (International
Distribution and Utilization)
Part II of discussion plan.

I. Introduction : Aid versus trade.

II. Trade : developing countries and the international markets.

A. Neo-classical theory : comparative costs and free trade
international specialization of labor

B. Emmanuel : unequal exchange - surplus transfer.

III. Appropriation and Utilization

A. Intra-national politics and the transfer of surplus

B. Development strategy and the export economies :
participation in the world market ?