The Debt Crisis, Africa and The New Enclosures

by Silvia Federici

In that brief moment the world seemed
to stand still, waiting. There was utter silence.
The men of Umuofia were merged
into the mute backcloth of trees
and giant creepers, waiting.
The spell was broken by the head
messenger. "Let me pass!" he ordered.
"What do you want here?"
"The white man whose power you know
too well has ordered this meeting to stop."

-Chinua Achebe, *Things Fall Apart*

The international Debt Crisis can be specified as the existence of more than a trillion dollars of loans at quite steep interest rates to Third World countries, which cannot possibly pay the interest much less the principal on these loans given the present collapse of primary commodity prices and intense competition in the international trade for light manufactured goods. There have been two major perspectives in the controversy over the crisis. On the one side, the Right has viewed the crisis as potentially threatening the international banking system given the default of major Third World debtor countries On the Left the crisis is viewed as the main obstacle to Third World development. Consequently, the "solutions" have been justified on the basis of the "problems" this crisis presumably poses. The Right has seen, in the debt crisis' almost ontological threat to the money form internationally, a justification for harsh, even draconian, IMF policies aimed at making Third World countries "pay up." Meanwhile, the Left economists have not only pointed to the immense "human costs" of these IMF policies, but they also note that since these policies block the economic development of the Third World debtor countries, the debt crisis will necessarily be prolonged by the Right's solutions.

But these two opposing views do share one common assumption: the debt crisis is a threat or obstacle to capitalist development in the 1990s. For the Right, the debt crisis threatens the "stable growth" of the creditor economies, while for the Left the debt crisis is the main obstacle to the economic development of the debtor nations' economies. We disagree with this common assumption and will argue in this article that underlying the debt crisis has been a productive crisis for the capitalist classes of both the debtor and the creditor nations. The debt crisis has been

"Alright say it. I've met all your conditions. Haven't I?"

a key instrument used by capital in shifting the balance of class forces to its side on both poles of the debt relation. That is, the debt crisis has been used to resolve capital's productivity crisis.

That the debt crisis is a productive crisis for capital is nowhere as visible as in Africa. The main aim of the policies generated by the debt crisis has been to "rationalize" class relations, beginning with the most vexed question of capitalist development in Africa: who owns the land? It is an axiom of development theory that no capitalist industry can be created without a rationalized agriculture. But rationalization has not only to do with tractors and fertilizers; settling the private property relations for land tenure is infinitely more important. The debt crisis has been crucial in driving forward this "rationalization" in Africa.

Settling the Land Question

Why is the "land question" still so central in Africa? The answer is simple, though somewhat surprising to North American readers for whom the "land question" is a dimly remembered echo of nineteenth century class struggles in the "frontier." In most of Africa, communal claims to the land still live, for colonial domination failed to destroy (to a degree unmatched in any other part of the world) pre-existing communal relations, beginning with people's relation to the land. This is a factor bemoaned by leftist and rightist developers alike as the main reason for Africa's economic "backwardness." *The Economist* spelled out in a "Nigeria Survey" (May 3, 1986) how crucial "the land question" is. In a section titled "the Capitalist Flaw," we read that:

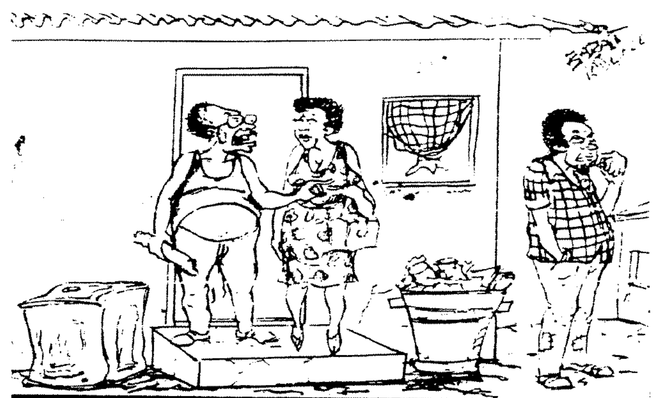
> "with two exceptions, Kenya and Zimbabwe (which) were both subjected to farming by white men under European laws of ownership and inheritance, practically everywhere in the African continent, customary land-use laws prevail, which recognize ancient, communal rights to the land."

This means that a prospective investor must negotiate with and pay to the community "for each tree, for firewood rights, for the grazing of women's goats, for grandfather's grave." This is true even in countries like Nigeria, where the state nationalized all the land in 1978. To illustrate this scandal, the survey article shows the picture of a herd of cows circulating undisturbed, side by side with a car, in the midst of a Nigerian city, cowherd, *et al.*

Predictably, *The Economist* concludes that Africa's land "must be enclosed, and traditional rights of use, access and grazing extinguished," for everywhere "it is private ownership of land that has made capital work." Land expropriation, therefore, is the precondition both for commercialized agriculture and for a wage-dependent, disciplined proletariat.

The survey forgets that land expropriation was by no means limited to settlers' economies. Moreover, the privatization of land has proceeded at an accelerated pace throughout the 1970s and 1980s, due to World Bank Agricultural Development Projects, which under the guise of "modernization" introduced not only tractors but new class ownership relations in the rural areas. The development of these new property relations was spurred by Government expropriation-drives (for infrastructural development, oil exploration, etc.), as well as a massive urbanization process. Thus these changes have had many sources, including the attempts African countries made to "develop" and the growing refusal of the new generations to spend their life "in the bush" following their parents footsteps.

Yet to this day at least 60% of the African population lives by subsistence farming, done mostly by women. Even when urbanized, many Africans expect to draw some support from the village, as the place where one may get food when on strike or unemployed, where one thinks of returning in old age, where, if one has nothing to live on, one may get some unused land to cultivate from a local chief or a plate of soup from neighbors and kin. The village is the symbol of a communal organization of life that, though under attack, has not completely disintegrated. Witness the responsibility those who move to the cities still have towards the community at home — a responsibility which easily turns into a burden, but serves to support many who otherwise would remain behind. In Nigeria, for example, villages often pull together to pay the fees to send some children to school, with the expectation that once in possession of a diploma they will in turn help people at home.



"M.Sc of no M.Sc, just tell him for your dowry, A bag of RICE, BEANS, MAIZE....."

"The village" to this day forms the reproductive basis of many African countries, particularly for the proletariat, who rarely, once urbanized, can afford the nuclear-family "life-style" that is typical among the middle class. However, among the middle class too, the nuclear family still competes with the village, which (thanks mostly to its women) refuses to be treated like an obsolescent factory. This conflict between city and village is the subject of many tales picturing overdemanding kin driving their urbanized children into corruption by their unreasonable expectations. But in reality, these "unreasonable" demands have kept pressure on the urban wage, ensuring a higher level of consumption both in village and urban centers, so that the consciousness of the cultural and material wealth produced world-wide exists in every bush.

The survival of communal ties and the lack of a tradition of wage dependence have produced many consequences in African political economy. First, it has fostered a sense of entitlements with respect to the distribution of wealth in the community and by the State. Second, it is responsibile for the fact that most African proletarians fail to experience capital's laws as natural laws, even though the demand for what industrial development can provide is now a general factor of social change.

This must be emphasised given the tendency in the US to see Africans either as a helpless victims (of government corruption or natural disasters) or as protagonists of backward struggles revolving around tribal allegiances (a myth perpetrated by the

Western media to encourage a stand-off policy with respect to people's struggles in the continent, South Africa included). In reality, from the fields to the factories, the markets and the schools, struggles are being carried on that not only are often unmatched for their combativeness by what takes place in the "First World," but are most "modern" in content . Their objective is not the preservation of a mythical past but the redefinition of what development means for the proletariat: **access to the wealth produced internationally, but not at the price capital puts on it.**

Examples of the combativeness and modernity (or even post-modernity) of African proletarians could be multiplied, ranging from the resistance to being counted (in Nigeria the idea of a census is still a government "utopia"), the resistance to tax-collection (an occupation which often calls for bodyguards), and the resistance to land expropriation (which often turns into open warfare). Even though the land has been nationalized in Nigeria, for example, negotiations are still necessary with the local chiefs before any tract of land can be appropriated by the government, and until recently compensation for trees and crops was paid. Finally, the resistance to waged work far exceeds, in terms of work-hours lost and forms of struggle, what could be expected from a waged work-force which is at most 20% of the population.

According to statistics gathered by international agencies, most people in Africa ought to be dead....

The difficulty African proletarians have in accepting capital's laws as natural laws is compounded among the new generations who have grown in a period of intense liberation struggles (Guinea Bissau in 1975, Angola and Mozambique in 1976, Zimbabwe in 1980) and see "the West" through the eyes of Soweto. This youth over the last decades has made international-capital despair of Africans' discipline and productivity

Thus, throughout the 1970s and 1980s, prior to the debt crisis, a consensus grew within international capital that Africa is a basket case and the only hope for its future lies in a drastic reduction of its population. (By "Africa," of course, all is meant except South Africa, though southern African events, from Soweto to the demise of colonialism in Angola, Mozambique and Zimbabwe, have been crucial in determining the new "mood"). On trial is "Africa's resistance to development," for Africa, we're told continually by the *Wall Street Journal*, is the only region in the world that has experienced no growth in the post-WWII period. Further, the Africans' attachment to "their traditional ways," a code word for anti-capitalist behavior, and the standard of living Africans are demanding, particularly in countries like Nigeria or Zambia, which in the 1970s (due to oil and copper prices) experienced a leap in the national wealth, must be destroyed if any form of capitalist development is to take place in Africa.

Capital has put into place a policy of planned underdevelopment in response to these "structural/political problems," with communal land claims at their core. Thus, not only has capital fled from Africa, in search of safer havens in American or Swiss Banks, but also foreign investors have dwindled to a handful (Africa in the 1970s and 1980s was the region that attracted the lowest rate of capital investment) and foreign aid and African exports have collapsed. Meanwhile the dangers of "population explosion" as a harbinger of revolution have become the gospel of the land. As a result, as former World Bank president Clausen recently put it, "Africa today is experiencing the worst depression of any world region since WWII." This means that from capital's viewpoint, Africa is the bottom of the barrel, the area where the most resistance to development is met.

To what extent capital despairs of the outcome can be seen in both the gloomy tones in which Africa is usually discussed and the disregard international capital displays with respect to the preservation of African labor. Africa is now the place for experiments on AIDS. It is the chemical/nuclear dust-bin of the world, the region where expired pharmaceutical products, or products banned in other countries, from medicines to pesticides, are dumped.

The Debt Crisis as Productive Crisis for Capital

It is within this scenario that one must understand the development of the debt crisis which, by the early 1980s, affected more than 25 African countries.

It is difficult to measure to what extent the escalation of the debt has been due to the pressure exercised by proletarian demands, which in the 1970s forced African governments to borrow money from foreign banks, or was engineered by international capital to force African governments to implement policy reforms. What is certain is that the debt crisis has provided national and international capital with a golden opportunity to attempt a wide-ranging reorganization of class relations, aimed at cheapening the cost of labor, raising social productivity, reversing "social expectations" and opening the continent to a fuller penetration of capitalist relations, having the capitalist use of the land as its basis.

As in other Third World areas, the crisis in Africa has unfolded through two different phases, each differentiated by more or less direct intervention of foreign governments through the role played by international agencies. There has been, in fact, a division of labor between the International Monetary Fund (IMF) and the World Bank (WB), corresponding not so much to the need to integrate "soft cop/hard cop" policies, as to the requirement to deal with different levels of proletarian resistance, the key factor in the dialectic of development and repression. Phase I, roughly lasting from 1980 to 1984, was dominated by the IMF "monetarist policies." This was the phase when, as country after country defaulted on interest payments, arrangements were made with the IMF for stand-by loans in exchange for the infamous IMF conditionalities: cuts in subsidies to products and programs, wage freeze, retrenchment in public sector and massive devaluations, which in many cases virtually demonetarized the economy. But by 1984 such was the resistance to further austerity measures and the hatred for the IMF that a new strategy had to be devised, accompanied by a change of the guard in the form of a World Bank takeover. Thus Phase II, which began in 1984, took the form of World Bank "development."

The World Bank is an old acquaintance of the African continent, where in the post-independence period it rushed to replace the departing colonial administrators. In the 1980s, it has played capital's grey eminence in Africa. Hardly a plan or a deal has been made without its intervention, in the capacity of lender, advisor or controller. In 1984, the World Bank announced it would raise $1 billion to provide 50 "soft loans" to sub-Saharan nations prepared to accept its recipe for "economic recovery" and embark on the path of economic reforms. This "special facility for Africa," which under the name of "Structural Adjustment Program" (SAP) was the model for the Baker Plan presented at Seoul in 1985, emerged as the vehicle for the much hailed conversion to a free-market economy undergone by many African countries since 1985.

SAP, in fact, is Reaganite laissez-faireism applied to the Third World. Its essential model is Milton Friedman's formula for post-Allende Chile that demands the removal of all measures protecting the standard of living of workers and forces workers to survive only to the extent that they work in conditions competitive with those of other workers worldwide. Hence, wage levels are decided by international labor market considerations combined with state repression to ensure that wages never rise to "international levels."

SAPs require much repression. In Chile, its implementation cost the lives of 30,000 workers, butchered in homage to the new market freedom. SAP means that in exchange for "growth-oriented" loans, a country accepts the liberalization of imports, the privatization of state industries, the abolition of all restrictions on currency exchange and commodity prices, the demise of any subsidy program, and further devaluations, with the loans financing these programs and setting up export-oriented agricultural and industrial sectors. In the rhetoric of business and the World Bank, once the prices of commodities, services and labor are allowed to "adjust to their market value" and imported commodities are once again available in the markets, everyone will be incentivized to produce more, foreign investment will flow, exports will grow, earning solid hard currency, and recovery will be finally at hand. But SAP means that millions of Africans, whose monthly wages average at best $30 a month, are asked to pay American-type prices for commodities and services. Even the local food prices reach prohibitive levels as the land is increasingly cultivated with crops not destined for local consumption.

SAP, in fact, is the vehicle for the integration of the African proletariat into the world market, but along lines not dissimilar from those of colonial times, as they are expected to produce crops they won't be able to consume, and pay for what they buy at the international price levels, at the very time when their wages not only have vanished because of retrenchment but have become meaningless in the face of astronomical devaluations. The integration of the African proletariat into the world market via SAP is visible also at the level of the new bosses: with the new productivity campaign, all attempts at "indigenization" have been dropped and expatriate managers and technicians are flocking back, as in the good old colonial days. The hope is that white masters will be more effective in making people work than were their African counterparts.

As the key managers of this new turn have been foreign agencies (IMF, World Bank, Paris Club, London Club, in addition to the commercial banks), the measures adopted have appeared as another chapter in neo-colonial relations, with Western banks and agencies replacing the colonial powers in their imperial role. This "appearance" is not unfounded. Once in the grip of IMF & Co., a country loses any semblance of economic/political independence: IMF representatives sit on the board of the Central Bank, no major economic project can be carried on without their approval, storms of foreign officers periodically descend on it to check account books, and no government could steer a politically independent path, even if it wanted to, since every few months it must plead with foreign agencies for debt rescheduling or new loans.

'ANGUARD, WEDNESDAY, OCTOBER 30, 1985

"Ladies and gentlemen, Introducing the most successful "BUSINESS MEN" of all time!"

The case of Liberia, which a few years ago asked Washington to send a team of managers to run its economy, is but an extreme example of what today is happening in most of Africa. Equally telling are the overtures African governments (e.g., Cameroon, Ivory Coast, Nigeria) are presently making to Israel and South Africa, with whom, for a long time, caution advised secret relations. Thus, there is a sense in which it is possible to speak of *the recolonization of Africa*, under the hegemony of Western powers, who are using the crisis to recuperate what was lost in the wake of the anti-colonial struggles.

All this should not hide the fact that both the crisis and the help from abroad have been welcomed by the dominant sectors of the African ruling class. For they have in turn used the external debt to free themselves from the concessions to "their people" they were forced to make in the aftermath of independence and to stem the militancy of the new generations. Undoubtedly African leaders have had to swallow a few bitter morsels. For the African ruling class today, integration with international capital is a different deal from the one they struck in the post-independence period. It was then confronting a less unified capitalist front (with the U.S. competing with the old colonial powers and the Soviet Union in Africa); today the main branches of international capital are integrated. Thus, the nationalistic games

African leaders were able to play—publicly boasting non-alignment and pan-Africanism while dealing behind doors with South Africa (as in the case of Nigeria) and taking money from "East" and "West"—are no longer possible. Nor is it possible for them to continue to oscillate between the Scylla of a demagogic socialism and the Charybdis of a waste of capital funds for visibly unproductive purposes.

The African leaders too have been brought to trial. The golden mouthpieces of international capital have accused them of a personalistic attachment to capital (the famous "corruption" charge) and lack of managerial skills. But the chastisement has been acknowledged as useful in most quarters. The debt crisis has been a "consciousness raising" process for African leaders, who have learnt they cannot rule without the help of Washington, London and Paris, showing in face of the "crisis" the fundamental similarities of their political stands, regardless of how much socialist rhetoric they flaunt. This is why they so easily bend to the demands of foreign capital. It is not because of their helplessness in front of Washington and London, but because of their helplessness in front of the African people. Not accidentally, with the brief exception of Tanzania under Nyerere, nowhere has an African government attempted to mobilize the population that would have eagerly responded to the call for default. On the contrary, they have "passed along" the most murderous austerity policies, diverting substantial amounts of presumably scarce foreign currency to buttress their armies and police forces with the latest anti-riot equipment while playing helpless before the IMF. The debt crisis has unambiguously shown that to maintain their rule African governments must depend on the support of Washington, London and Paris.

Thus, one of the main results of the debt crisis is the reorganization of the mechanism of capitalist command, beginning with the unification of "metropolitan" and "peripheral" capital. Such has been the willingness of African leaders to comply with international capital—often implementing austerity measures stiffer than those required by WB/IMF—that a number of African countries (e.g., Morocco, Ghana, and Nigeria) are becoming a show-piece for multinational agencies. The turning point came in the Spring of 1986, when the Organization of African Unity (OAU) decided to bring Africa's debt problem to the UN, asking Western countries to help solve it. By this time almost every country in the continent was defaulting on its interest payments and many countries were devoting 30 to 40% of their budget to debt servicing— a percentage leftist economists consider a recipe for economic disaster.

This unprecedented move was a decisive ideological victory for the Western Powers who, after decades of anti-imperialist rhethoric, felt vindicated in their pre-independence misgivings ("we told you that you were not ready!"). At the special UN session, by defeating a resolution pointing to their responsibility in the African crisis, they made it clear they would no longer hear about how colonialism pauperised Africa. Indeed, it is now accepted wisdom in the U.S. media that colonialism bears no responsibility for what's happening today in Africa.

The 1986 UN session was the Canossa of African Governments. At it they publicly recognized that by themselves they are unable to rule the continent. It served as the occasion for old and new colonial powers (like Japan) to return to the saddle. Shultz's triumphal trip through Africa in June 1986 and the murder, one year later, of Sankara of Burkina Faso, the living symbol of African anti-imperialism, sealed the deal.

Since then, the "debt crisis" has unfolded in Africa in all its mathematical logic, showing how misleading it is to view it as a numerical crisis, as it is usually presented. The fallacy of the numerical approach is to believe that from capital's viewpoint "economic recovery" is equal to "debt reduction." If this were the case, much of what is happening around the debt would be incomprehensible. For in most countries, the debt has escalated dramatically since their acceptance of IMF-World Bank economic recovery measures (e.g., the Nigerian debt rose from $20 to $30 billion after a SAP was introduced). The reason for this apparently paradoxical result is simple. The debt crisis is determined not by the larger or smaller amount of the debt due or paid up, but by the processes activated through it: wage freezes, the collapse of any local industry not connected to foreign capital

'Congratulations, but we don't feel it.'

(which provides the hard currency needed for technology and capital investment), the banning of unions, the end of free education even at the primary level, the imposition of draconian laws making labor and other social struggles an act of economic sabotage, the banning of militant students' organizations, and especially the privatization of land. This function of the debt crisis is best seen perhaps in the well-financed escalation of repression in the debtor countries. The latest technological tools of repression (cars, walkie-talkies, Israeli security guards) have arrived in Africa in the wake of the debt crisis. "Defense" spending is the only type of spending international agencies have not begrudged African governments, though they count every penny when it comes to health or education. "Crisis" here becomes, on capital's part, a misnomer: it is a crisis, rather, for the working class.

What this has meant for people can be seen by looking at Ghana, an IMF "success story," from the viewpoint of the extensiveness of the trade liberalization allowed and the present growth rate. But since 1983, when Ghana decided to comply with the IMF, the national currency, the cedi, has collapsed nearly 100% in value. As a result, with the banknotes people are paid in being so worthless, the majority of the Ghanaians have been practically demonetarized. Unions, however, have been sufficiently intimidated (thanks to Jerry Rawlings' past "man-of-the-people" aura) as to subscribe to the plan and keep workers from striking. Thus, by international capital's initiative, Ghanaians have been forced to leap beyond the money-relation; e.g., the monthly salary of a middle-level civil servant hardly pays for one third of the family monthly food bill. But as long as people must pay for food, transport and rent, this means that their lives must be a constant wheeling and dealing which today consumes all their energies. (In the long run, though, the experience of having to invent daily new means of reproduction may produce some unexpected results.)

Presently many in Ghana, for example, hold on to a waged job only in the hope of "chopping for the work-side," i.e. using the facilities and utilities the work-place provides for reproduction not production. Wage or no wage, ekeing out a living is an endless struggle, with prostitution, touting to tourists, subsistence farming and remittances from abroad being (for most) the only alternatives to starving or thieving. Meanwhile over the last four years two million Ghanaians, almost 20% of the Ghanaian population, have emigrated to Italy, Iceland, Australia, and many others are on the way out. They are called the "road-people," planetary transients, often thrown overboard from ships they illegally boarded, going from port to port in search of a country that will let them in, ready to work in any conditions since a few dollars earned selling watches or bags in New York can support a family in Accra or Dakar. The flight from all of Africa is so massive that it has turned into a job of its own, with people specializing in how to circumvent the restrictions foreign embassies place on visas.

Everywhere, from Nigeria to Tanzania, a new diaspora is at work, sending millions to work in Europe and the U. S. This diaspora is a gold-mine for European and American capital, which still relishes the basic principle of the old slave-trade: people are more productive once uprooted from their homes. The number and status of the emigrants are documented by World Bank demographers, who, with Nazi-like scientific precision, also periodically record what countries fall below the caloric requirements for work or "just" survival. For hunger is reappearing in surprising places like Nigeria, traditionally the yam basket of Africa, even in times of bumper crops. Not only is meat disappearing, gari (cassava flour), traditionally the cheapest and most basic staple, is becoming unaffordable, at least in the urban centers, where it must be transported by trucks and vans fueled with gasoline costing now what whisky cost in the past.

At the heart of the debt crisis agenda, then, is the annihilation of the old African system of reproduction of labor power and struggle based upon the village and its tenure of the commons.

The debt crisis is almost a textbook case of the old-time truth that economic liberalism not only is compatible with, but at crucial times requires social fascism.

The aim of the IMF and the World Bank is to make both the land and the people truly available for work, i.e., for wages and rent. To do this, capital had to pierce the veil of its own statistical "money illusion." For according to the statistics gathered by international agencies, most people in Africa ought to be dead, since their per capita income is far below subsistence. But they are not dead. On the contrary, Africa is one of the liveliest places on the planet. The main reason for this contradiction is the immense subsistence productivity of the African commons. The debt crisis is capital's methodical attempt to destroy this productivity of life and substitute a productivity of surplus value.

The first phase of the debt crisis—the demonetarization of African economies and the default of post-colonial states—destroyed this money illusion. The message of the demonetarization to the average African was that s/he was capitalistically dead and that the time for living in the interstices between the international market and the village commune was definitively over. The bankruptcy of the post-colonial states made it clear that no intermediary would be able to soften the impact of the laws of capital. The famines of 1984-5 made the point with brutal terror throughout Africa. The second or SAP phase of the debt crisis was (and is) the moment of enclosure. For the essence of SAP is the capitalization of the land, i.e. either local farmers or miners employ the land for the national or international market or the land will be taken by those who will—or, as in many areas, both. If SAPs succeed, the myth and reality of "Mother Africa" is finished.

New Social Struggles

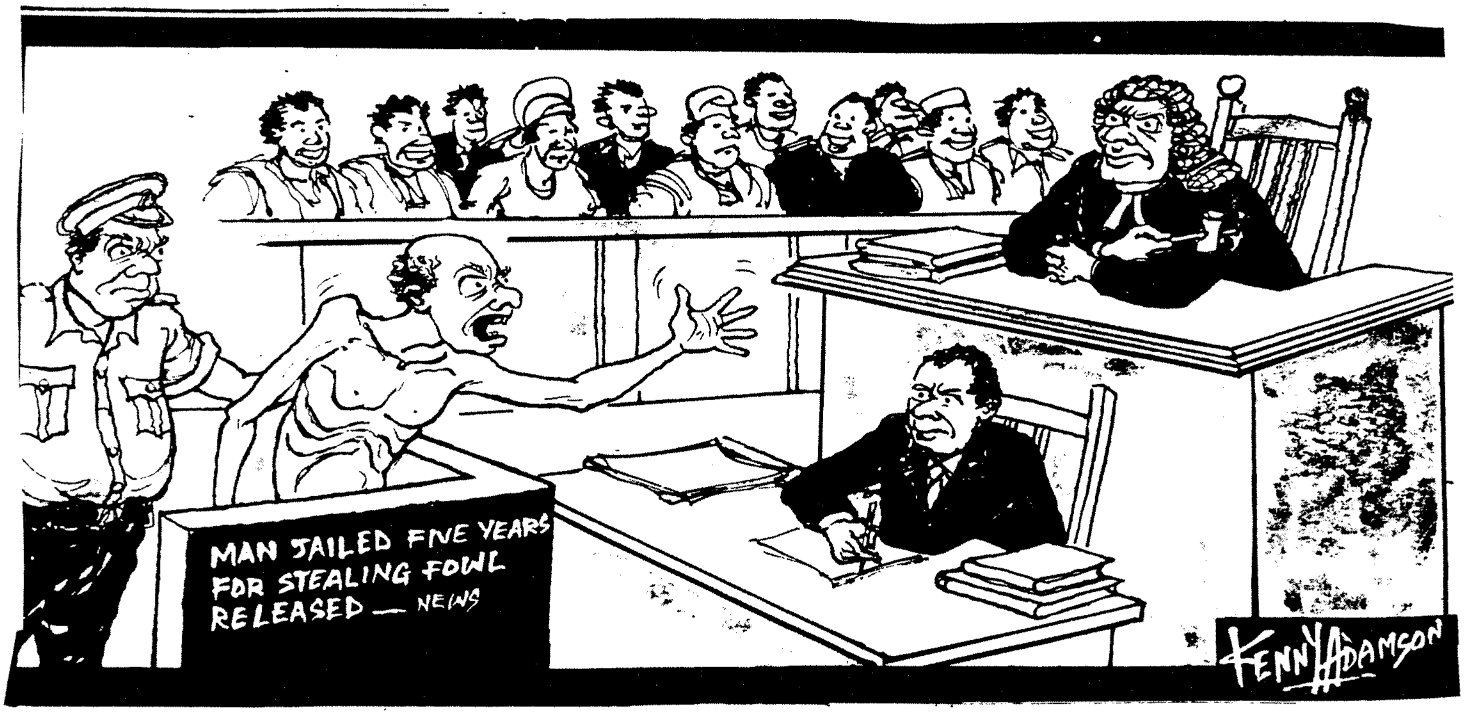
The debt crisis in fact is almost a textbook case of the old-time truth that economic liberalism not only is compatible with, but at crucial times requires social fascism. Thus the Chilean road to economic recovery is today applied to most of liberalized, structurally adjusted Africa. The Chilean recipe has almost been learned by rote: students' organizations must be banned, unions must be intimidated and driven underground, security forces must be remodeled (usually with the help of shadowy U.S.-British-French-Israeli advisors). The new legislation is also now standard. For example, in Nigeria we have Decree 20 against "economic sabotage"—including strikes at oil sites (establishing a death penalty for such saboteurs)— and Decree 2 establishing preventive detention for up to six months. Increasingly, capital punishment has been used as a weapon in the "war against armed robbery," the Nigerian/African equivalent of "the war against drugs." As for the spaces left to "freedom of speech," let us just mention the case of Nigeria, where even seminars on SAP attended by Nobel Prize winners like Soyinka are nowadays met with armed policemen at the doors.

But none of these measures have put an end to the resistance against the "economic recovery measures." The first major failure of IMF policies appeared in Zambia in December of 1986, a few months after the UN conference on Africa. The Zambian government, amid Kenneth Kaunda's tears, had to turn its back on the IMF following massive anti-IMF, anti-austerity riots in Northern Zambia—the heart of the copper fields. What happened was that after another round of price increases and a further devaluation of the kwacha, people engaged in the most violent protests since independence. The government had to call in army combat units and seal off the borders. The riot was sparked by the announcement that the government was going to double the price of maize meal (as demanded by the IMF). Housewives, youth and the unemployed took to the streets, attacking warehouses where the maize was stored, and soon every other store became a target. The crowd appropriated TVs, stereos and even cars, stoned policemen, attacked government offices and burned down (in Kalulushi) the Presidential Headquarters (hence Kaunda's tears). Ten people were reportedly killed in the many days of rioting, but in the end the government had to reduce the maize prices and tell the IMF it could no longer comply.

Equally violent and continuous has been the resistance in Nigeria. From the earliest phase of the government's negotiations with the IMF, students, market women and workers have gone to the street protesting the end of free education, tax-certificate requirements for school children enrolled in primary schools, wage freezes, new levies, and the removal of subsidies for domestically sold petroleum.

The involvement of students in riots in Zambia and Nigeria is not unique. All over Africa students have been at the forefront of the anti-SAP protest. Despite the fact that they are a privileged minority, often being ready after graduation to compromise their political convictions for a government job, students in many African countries are now forced, by the objective conditions of IMF-education planning for Africa, to take a more radical stand (The IMF prescribes a drastic reduction in the number of high-school and college graduates in order to contain wages and reduce expectations). Thus the IMF inspired SAPs are the death pill of the post-independence "social contract" which promised a

SUNDAY VANGUARD, OCTOBER 27, 1985



"Alright, I've learnt my lesson. Next time I'll loot the treasury!"

piece of the pie to those who had a high school or university degree. As a result, a pervasive high unemployment rate among graduates has followed the introduction of SAPs. Many university trained engineers are lucky if they manage to drive a cab. In this context, it is not an accident that every step in the escalation of IMF-imposed economic austerity measures has been accompanied by an attack on students and students' organizations.

A good example of this sort of violent confrontation occured on May 26, 1986. In the wake of a peaceful demonstration at Ahmadu Bello University in Zaria, Nigeria, and one week prior to the arrival of IMF-World Bank officers in Lagos, who were to check Nigeria's books and economic plans, truckloads of Mobile Policemen invaded the campus, shooting students and visitors at sight. The machine-gun firing police chased the students into the dorms, where scores were later found wounded or dead, and into the surrounding village houses where they had tried to take refuge. More than 40 were killed and many more were wounded. The massacre did not stop the protests however. In the following days, riots exploded all over the country. Students in Lagos, Ibadan and other campuses blocked the streets, attacked government buildings and prisons (excarcerating hundreds of prisoners, including some from death row), and vandalized the premises of those newspapers which had ignored the protest.

Since then, anti-SAP riots have become endemic in Nigeria, culminating in May and June of 1989 with new uprisings in the main southern cities, Lagos, Bendel, Port-Harcourt. Once again, crowds of students, women and the unemployed jointly confronted the police and burned many government buildings to the ground. In Bendel, the prison was ransacked, hundreds of prisoners were set free, and food was confiscated in the prison pantry and later distributed to the hospitals, where patients notoriously starve unless they can provide their own food. More than 400 people reportedly were killed in Nigeria in the days of Tiananmen Square, though barely a word about the riots and massacres could be found in the US media.

Nigeria has not been alone. Anti-IMF protests have occurred in Zaire, where in December 1988 a crowd of women was machine gunned by Government troops. In February of 1989 at the University in Kinshasa, scores of students and teachers were killed or wounded following protests against the IMF-inspired rise of transport prices, which had led the students to take over a government bus. In Ghana too, student-government confrontation has been the order of the day since the implementation of the IMF deal.

Massive uprisings and insurrections are but one part of the resistance against austerity and SAP plans. A daily warfare is fought at the motor parks against the hike of transport prices, at the "bukas" where people insist on a piece of meat in their soup without having to pay the extra price, and at the markets where people defy government attempts to ban "illegal" (non-tax-paying) vendors. Along with this quasi-legal micro-struggle against the IMF policies and their results, armed robbery, smuggling, and land-wars have exploded in response to diminishing access to land due to SAP inspired enclosures. These struggles have not been in vain. The recent decision at the Paris summit of the OECD (held during the bicentennial of the storming of the Bastille) to cancel a part of the African debt for those countries that implemented SAPs (up to 50% for the "poorest" of them) is a recognition of their power.

Jubilees, Moratoriums and the End of the Debt Crisis

In conclusion, we have shown that the Left and Right analyses of the Debt Crisis are inadequate to the task: charting the dynamics of the crisis and determining its end. The Debt Crisis constitutes a tissue of monetary facts and problems of accumulation for both these poles of analysis and practice. They cannot explain why the crisis appeared as it did and why it has developed into a chronic aspect of contemporary capitalism. Most fundamentally, they cannot give us a clear account of the end of the Debt crisis, for the two acts that would definitively cut the Gordian Knot of the crisis—either a debt jubilee (called by a debtors' cartel) or a lending moratorium (called by a creditors' cartel)—are capitalistic absurdities. Ultimately, the reason for the failure of these analyses is that they do not point out that the object of the Debt Crisis is not the official debtors (the Third World nations, banks and corporations) but those who fall outside of the credit system in the first place: the proletariat. This analytic failure is most clear in Africa where the very idea that a worker, say, in rural Kano province in Nigeria is in debt to the IMF is patently absurd. Once one views the Debt Crisis as directed at the non-debtor it becomes clear why the crisis has become chronic, despite the manipulation of a Brady or a Baker. No one of the capitalist class, in or out of Africa, wants to end the Debt Crisis in Africa. Rather, the idea is to manage it. For debt is doing its job as part of the credit system, which is supposed to "accelerate the material development of the productive forces and the establishment of the world market."

Yet the Debt Crisis is a most dangerous way to proceed, since the way of debt makes capital vulnerable to the proletariat on two basic counts. First, debt, by being capital's way of connecting past labor with future expropriation of surplus labor, makes working class repudiation of debt not only a financial catastrophe but also a severing of the ontological link between capital's past and its future. Second, the internationalization of the Debt Crisis and the vehicles of its productive management also opens up planetary circuits of struggle which increasingly will include Eastern Europe, the USSR and China. Consequently, the possibility of a new level of material solidarity within the international proletariat is realized inadverently. The swindle of the Debt Crisis can therefore be turned into the "disintergration of the old mode of production" it was once predicted to be by an old Moorish debtor.

References

For a recent Leftist analyis of the Debt Crisis see Susan George, *A Fate Worse Than Debt* (New York: Grove Press, 1988) and the Debt Crisis Network's material. The address of the DCN is 1901 Q St. NW, Washington, DC 20009.

For a Rightist analysis of the Debt Crisis see the annual reports of the IMF and the World Bank. The IMF's address is 700 19th St. NW, Washington, DC, 20431.

The quotations in the last section of the piece are from Karl Marx, *Capital*, Vol. III, chapter XXVII, "The Role of Credit in Capitalist Production" (Moscow: Progress Publishers, 1966).

For a discussion of the "ontological link" money and credit supply for capital, see C. George Caffentzis, *Clipped Coins, Abused Words and Civil Government: John Locke's Philosophy of Money* (New York: Autonomedia, 1989).