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THE CURRENT DEVELOPMENT OF THE WORLD ECONOMY

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Geneva, March 1980 Johan Galtung

This paper is being circulated in a pre-publication form to elicit comments from readers and generate dialogue on the subject at this stage of the research.

Abstract

In the two decades following the Second World War, the capitalist world economy experienced the greatest boom in its history. This boom came to an end towards the close of the 1960s. Since then the world economy has been in a phase of decelerated growth, intensified structural change and heightened political instability.

This paper begins by adducing some of the indicators which illustrate this development. We attempt to identify the immanent developmental tendencies which characterised the political and economic model of accumulation of the boom decades - tendencies which are now undermining the model's potential for further expansion. At the same time, there is no clear indication of a transition to or a political installation of any comparable alternative model of accumulation.

The analysis is focussed upon the general trends and tendencies of accumulation: the concretisation, modification or transcendence of these trends and tendencies through 'local' particular circumstances will require further research.

I

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A large number of indicators reveal a sharp contrast in capitalist development between the two decades leading up to the end of the 1960s/beginning of the 1970s, and the subsequent ten years, and show that the capitalist world economy has once again passed through a turning-point in its development. Amongst the principal indicators since this turning-point are:

- Drastic fall in rates of overall economic growth in the market economies as a whole, and especially in the industrial countries
- declining or comparatively low rates of capacity utilisation of industrial plant in the industrial countries
- drop or stagnation in investment in industrial plant in the industrial countries ('investment gap')
- rising or comparatively high shares of replacement investment and investment for rationalisation coupled with falling or comparatively small shares of investment for extending capacity in the industrial countries
- changes in the structure of the international division of labour: in manufacturing industry shifts of production not only from one industrial country to another (USA - Western Europe), or within industrial countries (traditional industrial centres - less developed regions), as in the preceding phase, but to an increasing extent from industrial countries to developing countries and centrally planned economies. In agriculture, the adoption of 'non-traditional' world market oriented production in the developing countries (e.g. fruit, vegetables, flowers, soya beans, meat). In the service sector, growing integration of the developing countries, for example, through the tourist trade
- rapid spread of production facilities and production sites of a new type in many developing countries and centrally planned economies. World market factories for world market oriented (semi-)manufacture in free production zones, export enclaves and other sites, with a structure of production which is competitive on the world market (not merely the local protected market), is very fragmented, highly susceptible to trade fluctuations and basically parasitic on the local economy and society
- 'structural crises' in industrial branches; the international competitiveness of manufacture at traditional sites is threatened by lower-cost manufacture at new sites (increasingly located in the developing countries and centrally planned economies). Examples can be found in synthetic fibres, textiles and garments, leather and footwear, steel-making, ship-building, watchmaking, optical industry, and sections of the mechanical and electrical engineering industries

- growing international synchronisation of business cycles - the 1974/75 recession was the first general recession since the end of the Second World War - impairing the possibility of effective national anti-cyclical policies based on the internationally unsynchronised nature of national business cycles: the as-yet less successful attempts to coordinate economic policies on a world scale, taking into account changed world economic circumstances ('world economic summits'), have not been able to revive the shaken neo-Keynesian optimism in the possibility of economic policies to prevent capitalist economic crises
- increase in average rates of inflation
- breakdown of the Bretton Woods Agreement, symbol of the erosion of the world economic hegemony of the USA
- radical redistribution of world incomes following the so-called oil-crisis, discernible, for example, in the changed structure of world trade and increased balance of payments problems for many developing countries
- increasing number of officially tolerated or encouraged cartels which have arisen through the economic crisis
- public subsidy of 'ailing' branches or firms, together with protectionist tendencies in the industrialised countries aimed at slowing down the pace and minimising the social effects of 'necessary structural adjustments'
- rising or stagnating unemployment at a relatively high level in the industrial countries
- growing disparity between the skill-structure of those seeking work and vacancies, with a consequent growth in the share of 'structural' or 'frictional' unemployment
- instead of improving and extending the coverage of the social services in the industrial countries existing services are being 'consolidated': i.e. their coverage is restricted and overall provisions reduced
- increase in the intensity of conflict between employers and workers over the maintenance of real incomes, jobs and conditions in the industrial countries
- in many developing countries, the reorganisation, intensification and extension of the capitalist exploitation and super-exploitation of labour-power
- strengthening of the state apparatuses for legitimation, manipulation and repression either preventively or in step with the revival and growth of ethnic, national, anti-imperialist, anti-capitalist, feminist and ecological movements.

This list of indicators could be further extended: all confirm the existence of a turning-point in the development of the capitalist world economy at the end of the 1960s/beginning of the 1970s.[1] What is

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[1] One indicator often referred to is that the average rate of profit has fallen in a number of large industrial countries since the beginning of the 1970s.

(cont. overleaf)

important here is not the meaning of any individual indicator, but the fact that all the indicators agree on this central point. In particular, the most general world aggregate variables show the existence of such a turning-point: this particularly important point is expounded in detail in an Appendix to this paper. Since the empirical proof of the validity of many of the other indicators is not in doubt, and further, because more detailed studies of certain indicators are given elsewhere[2] (structural change in the textile and garment industries, relocation of production of Federal German manufacturing industry, free production zones and world market factories) we do not offer additional proof here.

2

When we turn to the question of how to characterise this turning-point in general economic terms, i.e. at a higher level than that of individual indicators, the varied and comprehensive nature of the evidence cited shows that in contrast to the views of a number of authors, the turning-point indicates more than such relatively marginal or contingent phenomena as the structural transformation of individual branches (garment industry, sections of the electrical engineering industry), or the catching-up of the internationalisation of the industry of an individual country (such as Federal Germany), or the effects of increases in the price of oil.

In fact, the indicators listed above refer to nothing less than the end of the post-war boom (the biggest boom in the history of capitalism)

Note 1 (cont.)

However, we do not give this aspect any particular consideration here because of the notorious difficulties encountered in trying to obtain a reliable measure of these rates, and the national differences in the timing of changes in rates and levels of profit. Moreover, as will be shown later, the key factor in determining the international reorganisation of capital is not so much the absolute level of profit and its changes over time, but the divergence between the profits obtainable in the industrialised countries and those in the developing countries. (Of course, it should also be noted that a fall in the average rate of profit is not incompatible with a constant or even increasing rate of profit for the majority of large companies.)

2 See Folker Fröbel, Jürgen Heinrichs, Otto Kreye, Die neue internationale Arbeitsteilung, Reinbek bei Hamburg 1977; English translation: The New International Division of Labour, Cambridge and Paris 1980.

and the beginning of a phase of noticeably reduced world economic growth with the simultaneous transformation of a number of structural features of the capitalist world economy which had remained stable for many years.

One of the most significant of these transformations is the change in the structure of the international division of labour. For example, in marked contrast to previous decades, especially those of the boom, it has been recently possible to observe a rapid advance in the production of manufactured goods in the developing countries which are competitive on the world market.[3] The last ten years have seen the increasing use of sections of the immense potential labour-force in the developing countries in situ for world market oriented capitalist production in manufacturing industry - and no longer merely in the limited production of agricultural and mineral raw materials for export or occasionally for modest 'import-substituting' manufacturing which hitherto characterised direct employment in local capitalist production.[4] A long period in which capitalist production was concentrated in a few traditional centres in a small number of industrial countries, with a growing homogeneity of social conditions for both the material production and the reproduction of labour (labour legislation, investment law, policy on the family, social welfare, etc.) is thus being replaced by a movement in which capitalist

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[3] Of course this process does not mean that capital no longer exploits the possible benefits of production in countries whose local market is protected by import-controls, import-levies, strictly controlled imposition of 'local content' provisions, high transport costs and other factors. What is new is that at present more and more national factories (production mostly for the local market taking advantage of, and often only viable because of, the cost-advantages of protection) are also at the same time world market factories (production for the world market, including the local market, without protection). A typical example: Volkswagen produces in Mexico. A part of its output is sold on the protected local domestic market - making use of the cost advantages of protection ('national factory'). However, production is not only based on the cost advantages of protection: another part of the firm's output is exported (VW Beetles to Europe, etc.), proof of the fact that VW's production in Mexico can compete on the world market - without the benefits of protection. I.e. world market factory, instead of the classic import-substitution industry.

[4] Relocation of production from industrial countries to developing countries through and within companies from the industrial countries is the most well-known but by no means the only form which this process takes.

production is being decentralised to what were peripheral regions beyond the borders of the traditional industrial countries. This process is accompanied by a growing heterogeneity in the social conditions of material production and the reproduction of labour-power. That is, international decentralisation and social diversification of material production and reproduction.

We stress this particular aspect of the current development of the capitalist world economy, firstly, because it should be obvious to even the most superficial observer, and secondly, because such a pattern of geographical decentralisation and social diversification in phases of decelerated capitalist growth has some notable parallels in the history of capitalism. In particular, we refer to the installation of a specific type of rural-industrial commodity production in parts of Europe prior to the Industrial Revolution (aimed at inter-regional and even world markets), and the demotion of England from its position of 'workshop of the world' through the industrial-capitalist development of some Western European countries and the USA in the last quarter of the nineteenth century. Naturally, any explanatory model of present-day capitalist development which selects this particular aspect as its starting-point must also be able to account for and explain the other characteristic features of contemporary development.

3

The majority of current approaches to the present development of the world capitalist economy are not particularly convincing. This applies especially to single-factor explanations, developed in response to superficially observable changes.

For example: references to the breakdown of the Bretton Woods Agreement and the switch to free-floating parities; to the erosion of the world economic dominance and political hegemony of the USA; to alleged 'excessive' increases in labour-costs in the industrial countries; to the shortfall in investment, with the bulk of investment directed at rationalisation rather than expansion; to an alleged lack of so-called basic technical innovations - all these quite accurately highlight some symptoms of change . However, they share the common feature of lacking

any fundamental explanatory power.

Other attempts seek to restrict the globally observable deceleration in accumulation since the end of the 1960s/beginning of the 1970s to the recession years of 1974/75, and base their explanation on the 1973/74 'oil crisis' and its immediate aftermath (regional-sectoral shift and temporary fall in world effective demand, temporary difficulties in adjusting production structures to changed price and demand structures, etc.). In view of the actual chronology of the events and changes revealed in our indicators, in particular changes in rates of growth, such attempts at explanation are clearly unsatisfactory. Although the 'oil/energy crisis' - in itself a result of two decades of unprecedented capitalist growth fuelled by cheap oil - undoubtedly magnified a number of difficulties in a phase in which world accumulation had begun anyway to slow down for other, independent reasons, it also made a not unwelcome contribution to improving valorisation in the energy economy as a whole (possibly at the expense of other sectors), and in many countries may have facilitated a redistribution of income to capital under the guise of energy policy.

Other studies have set themselves the aim of empirically determining the 'relocation potential' of industrial branches. For example, correlations are established between the physical capital and amount invested in training per employee, and the international competitiveness of industrial countries in selected branches (an approach pursued by the Institut für Weltwirtschaft, Kiel). Alternatively, survey techniques applied to firms are used to weight the relevance of a number of pre-selected motives for undertaking the relocation of production (e.g. Ifo-Institut, Munich). Although such studies are a first step towards describing the phenomena in question, they suffer from the limited number of factors admitted or considered as possible causal determinants, neglecting, for example, the central role played by the decomposition of manufacturing processes into a set of sub-operations. Political factors ('the climate of investment') are either ignored as much as is feasible, or made unrecognisable by being cast into pseudo-objective formulations.

4

In contrast to these inadequate, partial analyses (which nonetheless do acknowledge the existence of some structural changes in the world economy requiring explanation), attempts at explanation within the framework of traditional theories of development (e.g. stages theory of economic growth, modernisation theory, dependency theory) offer a more comprehensive explanatory perspective.

However, it is no longer a matter for dispute that stages theories and theories of modernisation have been shown to have failed in their analysis of the earlier phases of capitalist development. Their fundamental conception of an unambiguous path of development which all societies or nations necessarily follow at different stages, or will follow, on their way to becoming a modern industrial society, and thence to 'post-industrial society' automatically excludes any consideration of the essential difference in the development of the so-called 'developing countries' ('underdevelopment') as a function of the subordinate integration of these countries into the metropolitan or global process of accumulation. No alternative paths of development are envisaged, and the only explanation offered for changes in the structure of the international division of labour and the initiation of 'modernisation' is that of the effects of merely contingent or exogenous factors.

Dependency theories arose out of a critique of stages and modernisation theories, and correctly both stress and demonstrate the polar unity of 'development and underdevelopment' as fundamental elements within capitalism. In addition, however, dependency theories also embrace the politically significant conception that the unity of 'development and underdevelopment' relates primarily to the complementary development of industrial and developing countries, and further propose as an absolute tenet that this duality constitutes an inescapable fate which is constantly reproduced in the course of the global development of capitalism, albeit 'at an ever-higher level': The global division of labour as determined by capitalism constantly (re-)produces the subordination of dependent underdeveloped countries which, firstly, experience a systematic transfer of resources to the benefit of the centre (migration, 'brain drain', unequal exchange of quantities of

labour, energy, protein, pollution, etc.), and secondly, and more important, a systematic distortion of what may have been autonomous development. In fact, it is even suggested that once any country has been assigned this peripheral status it will retain it as long as it remains integrated into the capitalist world system.

The conclusion that the developing countries are doomed to inescapable and permant marginalisation (within the framework of world capitalism) can be questioned both theoretically and empirically. As we will show, the likelihood that certain foreseeable tendencies within the world capitalist system could transform some present developing countries into industrial-capitalist societies, with a corresponding model of accumulation, can no longer be merely dismissed out of hand.

5

We cannot claim to offer a full exposition of current theories aimed at interpreting and explaining the present development of the capitalist world economy here, nor to provide a fully adequate basis to undertake a critique of them. Our basically negative stance towards them is intended primarily to encourage the sceptical reader to acknowledge the need for a theory of accumulation on a world scale (more precisely: a theory of the long-term uneven and unequal development of the accumulation of capital on a world scale), even though such a theory still has to be synthesised from a number of dispersed fragments.

World history over the last five hundred years is dominated by the struggle for or against the imperatives of capital accumulation on a world scale. This struggle is not only about the appropriation of a surplus-product which has already been produced, but centres just as much on the question of the size of the surplus-product and conditions for production and reproduction in general. Whilst the totalising tendency of capital-accumulation and its agents constantly seeks to subordinate and transform the historically inherited complex of forms of life and work to the purposes of productive activity (i.e. activity which creates surplus-value and maximum profit), there is at the same time a struggle to extricate traditional forms from the grasp of capital, or steer social development along paths other than those directed by

capital (such as: efficient production of exchange-values, rather than use-values; separation of mental and manual labour; control of the whole of life, including 'leisure' and reproductive behaviour). Taking this perspective of the struggle around accumulation as the motor of capitalist development, it is possible to identify a number of crucial moments within the historical development of capitalism - listed below without any full historical or logical exposition:

- The development of a specific global division of labour as a fundamental instrument for the production and appropriation of surplus-value - i.e. depending on the capacity or willingness of the producing classes to resist or collaborate - a combination of forms of exploitation of different types of labour for different constituents of the global capitalist process in different regions. In this process industrial-capitalist wage-labour with its seemingly superior potential for increases in labour productivity, for political containment of the working class, and, at times, for increases in mass consumption plays a dominant role ('uneven' development)
- the capacity or willingness of groups, strata or classes to resist the dictates of capital or collaborate with them. Examples are: the resistance of non-capitalist strata to the destruction of their traditional economic and social order, or conversely, their willingness to adapt; the tendency of the organised 'old' work-force in the centres of capitalist production to conclude a 'social pact' with their 'social partners', instead of waging a political struggle against the bases of the capitalist system; the self-organisation of the 'new' wage-labour classes and other 'socially marginal groups' to achieve a form of reproduction as independent as possible from capital, whether this be in the phase of the origins of industrial capitalism, or later in the case of groups suffering discrimination (ethnic minorities, youth, women etc.)
- the competition for valorisation between branches and competition between firms in the same branch, fought out either in the form of (wage) competition for the best workers and/or in the form of increases in productivity with results such as: centralisation and concentration of capital; growth of huge transnational concerns, which in some cases monopolise whole branches and dominate entire countries; the only seemingly inexplicable resistance by agricultural and industrial family enterprises in some sectors of commodity production
- the rise and fall of various forms of the capitalist state which in different ways create and maintain the pre-conditions for accumulation (both the general conditions, such as guaranteeing private property and obstructing the self-organisation of the working class, the institutionalisation of a model of accumulation which may vary from time to time, and the corresponding necessary provision of specific services for private-capitalist production, and the reproduction of labour-power). This process culminates on one hand in the liberal-bourgeois state, and on the other in forms of colonial administration. Or, on one hand, the social-democratic welfare state (with high degree of commercialisation of the sphere of reproduction = high wages), and on the other the repressive dictatorships of developing countries (non-capitalist subsidy for the reproduction of labour-power = low wages), depending on the functions which

different territories can or must exercise in a specific phase of capitalist development for the global process of accumulation, and the power-relations within local or national class conflict

- conflicts, including inter-imperialist war, between economically advanced countries for hegemony in the capitalist world system, which permit a country to impose a model of world-wide capital accumulation, including its corresponding global division of labour - the optimal one for the interests of its ruling class, and maybe also apparently acceptable for sections of its working class (Holland, England, USA)
- the resistance of dependent countries and their populations against their subordination to the exigencies of a process of accumulation dominated by a few countries, and its local representatives and beneficiaries
- as the product and conjunction of such moments, short-, medium-, and long-term cycles, fluctuations and trends of accumulation, including crises ('unequal' development).

To show how each of these moments are specifically linked together as different expressions of the struggle around accumulation is the task of a theory of accumulation on a world scale which is now beginning to crystallise in a rudimentary form, and which we seek to present here in a slightly more consistent form.

II

6

The accumulation of capital occurs within a variety of forms of material production and their corresponding forms for the reproduction of labour-power. Initially, capital usually uses these varying forms as it first finds them - only later adapting them as fully as possible to match its specific requirements, given the limits set by the resistance or collaboration of those populations concerned.

We indicate three such typical forms below, together with the use which capital has made of them.

A) The subsistence economy of 'primitive' tribes or clans, lacking both obligations to pay tribute and links to markets. Such structures are usually self-sufficient units of production and reproduction. Any surpluses over and above what is required for subsistence are 'unproductively consumed' in festivals or holiday, or alternatively, if the productivity of the land permits it, translated into population growth and thus denied the control of any potential ruling class. Apart from constituting the target of a progressive critique - 'the idiocy of rural life', 'general mediocrity' etc. - such 'primitive' self-sufficient economies are also forced to accept the inexorable verdict of both the old and modern fanatical advocates of surplus-production. As far as capital is concerned their self-sufficiency renders them totally useless: however, eventually the day of their 'civilisation' or 'modernisation' arrives. They are destroyed or dispersed so that accumulation can proceed unhindered - or better still, restructured to make a positive contribution to accumulation. Extermination or enslavement, expropriation of land, exaction of tribute, forced or peaceful integration into the patterns of commodity-producing market societies by missionaries, traders, development projects or migratory labour (often forced through the need to pay money taxes) - some of the methods of civilisation employed by capital.

B) The family-economy (such as the peasant economy) within a larger community, with obligations to pay tribute and links to markets. Families (households) are not self-contained units of production and reproduction, and are compelled to produce and surrender a surplus-product on a regular basis. In addition, they frequently constitute a flexible reservoir of labour-power for the larger social unit, either as sites for the production and supply of additional fresh workers, or as sites for the absorption and care of workers who are temporarily surplus to requirements or no longer able to work. A large number of variants can be distinguished. For example, in feudal or tribute-paying modes of production the means of subsistence (primarily land) are put at the disposal of personally dependent peasant families, subject to revocation, in return for the payment of a tribute in labour or kind or money, to the ruling class or state. The surplus-product can enter the circuit of capital via trade: rising external demand in conjunction with the appropriate powers of enforcement by the feudal lords or state can lead to a 'second serfdom' in which families are left with a piece

of land barely able to provide subsistence in return for a high labour-rent. Another variant is non-capitalist commodity production through formally independent agricultural or industrial family enterprises owning their own means of production: such enterprises can often only survive by adopting a long working-day, a high intensity of labour, the inclusion of all members of the family in labour, and in some instances very low remuneration to employees who are not family members - and finally, the abandonment of any concept of commercial profit. The more they are forced to buy machinery and artificial fertilisers or introduce greater specialisation to boost production and productivity (for example, to pay off money-obligations which arise through bourgeois agrarian reform, to compensate for a fall in the price of their products caused by the intervention of parasitic merchants or competition from the industrial-capitalist sector, or to be able to retain potential migrant workers by offering incentives), the more those mechanisms which deprive them of their surplus-product intensify and multiply, and the greater the danger that higher costs will not be covered by higher output or yields. Although in many cases such enterprises were already in reality subject to the terms dictated by the outside world of capital, the loss of their means of production (principally land) signals the final and formal surrender of their autonomy.

C) Industrial-capitalist wage labour in material production, with the reproduction of labour-power in the proletarian nuclear family. In contrast to the two forms noted above, the system of 'wage slavery', like the slave-economy proper, is characterised by the extensive separation of the spheres of production and reproduction (however, the wage-relation is much the more efficient as far as the needs of contemporary accumulation are concerned). In its most extreme form, the family merely exercises the minimum of the labour of reproduction (bringing up children, psychical regeneration of labour-power). Whether this takes place is determined primarily by the requirements of capitalist accumulation, and secondarily by official policy on the family (i.e. population and 'manpower' policy): the burden of such labour falls overwhelmingly on women. Again, in its most extreme form, material production, including the production of those goods and services required for the reproduction of labour-power (food, consumer durables, clothing, housing, transport, education, nurseries, hospitals, old people's homes, commodities produced by the leisure industry), is removed as much as

possible from the sphere of non-capitalist self-production (e.g. in the family) and either directly or indirectly (via the state) placed under industrial-capitalist control. In general, however, the division of labour between industrial-capitalist wage-labour and the proletarian nuclear family is a flexible one and not restricted to this most extreme form.

As historical experience has shown, out of the many forms of production and reproduction adapted and combined by capital, the latter (C) has, in the long-term, played the most dynamic and dominant role in the global process of accumulation, even though it may not have been quantitatively the most widespread. Why is this so?

As far as the valorisation of capital is concerned there is a high social premium within capitalism on the development of the productive forces as a means (a) of exploiting non-capitalist modes of life and work, and, if necessary, displacing them, and (b) of making profits and super-profits in inter-capitalist competition. It will be clear that one factor in the development of the productive forces is the availability of an easily controlled, regionally mobile, occupationally flexible and industrious work-force - a condition apparently most effectively fulfilled so far through the association between industrial-capitalist wage-labour and the proletarian nuclear family. Economic necessity, hierarchical authority-structures, and sometimes material incentives mean that free wage-labourers are forced or induced to expend their labour-power to an almost unlimited extent, especially where labour is in excess supply and trade unions weak. In addition, under certain circumstances, privileged sections of the working class can develop a form of truncated class consciousness ('reformism') in which the lack of a recognition of fundamental class antagonisms ('the class interests of capitalists and workers may differ but are not necessarily opposed') leads to a systematic interest in the perpetuation of the system: at the same time, such a constellation of forces also produces an increase in the surplus-product (the cake, the growth of which is meant to guarantee larger slices for the working class). Furthermore, in industrial capitalism, the concentration of the means of production facilitates the introduction of machinery and the factory-system, the systematic application of science and technology of 'western' origin, and so-called 'scientific management' - all means

of depriving workers of control over the production process once they have been divested of ownership of the means of production or instruments of labour, and forcing them into a higher intensity and productivity of labour. By contrast, in other modes of production surplus-labour is usually a function of extra-economic coercion, only sustainable in the face of the passive resistance of the direct producers at a high, and often prohibitive, cost.

Furthermore, capital can exploit the need for human warmth, together with the family's continuation as a bulwark of patriarchal dominance, to produce a mechanism within which children can be raised, the desired ideological values and discipline inculcated ('civilisation') and labour-power psychically and emotionally restored which is, as yet, unrivalled for cheapness and efficiency. In addition, the family also serves as a reservoir of labour-power and as a buffer between factory-labour and open unemployment (discernible in the large medium-term fluctuations in the participation rate of married women). The link between industrial-capitalist wage-labour and the proletarian nuclear family also possesses a number of advantageous features as far as the realisation of surplus-value is concerned. When necessary, the means for the reproduction of labour-power, and under certain circumstances the means for satisfying needs which go beyond this, can be extensively transformed into commodities and multiplied almost without limit: this allows capital to massively extend its internal market - without totally impairing the possibility of switching back again to an increasing share of unpaid house-work if overall conditions of accumulation require it (this is in marked contrast with families in the form of loose associations of juridically and economically equal partners).

7

Capitalist development over the last five hundred years has also been essentially the history of the changing forms of the division of labour between the specifically industrial-capitalist and other forms of production and reproduction which are available for the accumulation process of capital. These forms of the division of labour themselves are marked by the struggle over accumulation. In particular, the basis

for the history of the international division of labour, as one important moment in the process of accumulation on a world scale, is the characteristic regionally differentiated development of the social contexts within which labour-power of each type originates. Apart from the fact that since the October Revolution one third of humanity has been removed from the direct sphere of the rule of capital, probably the most obvious product of the preceding history of the international division of labour is the divergence between the industrial countries and the developing countries. That is, the product of the optimal combination and adaptation of the various forms of production and reproduction by capital, within the limits of resistance and collaboration set by those affected: in fact, the product of the precarious symbiosis with, naked despoliation of, and imperial management of these various forms (including the productive forces of nature). The central differences between the industrial countries and the developing countries are to be found in the model of accumulation which is specific to each within global accumulation, and related to that, in the specific manner in which they recruit and reproduce labour-power.

For the later industrial countries of Western Europe, the transition from feudalism to capitalism was the result of attempts by the agents of decentralised feudal society to overcome crises, which although differing from region to region could be traced back to the tendency for ground rents and productivity to fall with periodic overpopulation. Faced with regionally varying resistance, and in mutual competition, they sought to expand and extend commodity production geographically in ways which were still essentially feudal. However, the almost inevitable consequence was the release of elements capable of establishing the foundations for a world-wide process of capitalist development. The victory, or consolidation, of the English Revolution meant that the possibility of world capitalist development became politically ratified and irreversibly secured. In Japan, which shared a feudal past with Europe, the resolute adoption of certain key elements from capitalism set the nature of the policy of survival in the face of the capitalist threat. Finally, the 'white' settler colonies served to absorb emigrants who had been made superfluous by accumulation in Europe; the development of these colonies presupposed an 'open frontier' - i.e. the 'pacification' and virtual elimination of the indigenous population.

All these countries experienced the comprehensive development of the specifically capitalist mode of production to a relatively high degree, and with it the wage-labour/capital relation together with the organisations of the working class. This implied and was accompanied by the large-scale and progressive destruction of other modes of production, although under certain circumstances it also led to the retention, transformation or transformed revival of those modes. For example, some may have proved particularly resilient in the face of the rising capitalist mode, or they may have been consciously maintained to secure political stability (such as peasant or artisanal family enterprises): alternatively, they may have been granted a stay of execution if their attempts to maintain their particular patterns of living and working complemented the valorisation of capital - until they finally fell victim to the increasing efficiency of industrial-capitalist production (for example, rural industry in many places, the handloom weavers, sweat-shops, etc.).

Capital's realisation that an excessively long working day made output decline, together with the pressure of an organised working class, led to effective legal restrictions on the production of absolute surplus-value. This in turn spurred on the development of the productive forces in order to produce relative surplus-value - usually linked with a higher intensity of work and increased control of labour by capital.

Workers themselves were predominantly brought up in the proletarian nuclear family and held ready for use by capital - with women taking on the dual role of unpaid housewives/mothers in the family, and highly exploited wage-workers in capitalist production outside the home.

The development of the industrial-capitalist wage-labour/capital relation as the quantitatively dominant relation of production in the industrial countries, together with the raising of mass-consumption based on a 'social pact' between 'social partners' - i.e. the extension of the circle of needs, both those necessary for the social reproduction of labour-power and other more far-reaching needs, all of which however can only be satisfied in commodity-form - led to the creation of an internal market capable of apparently unlimited expansion (including the fast-growing 'leisure market', as shaped and 'cultivated' in the interests of valorisation by its own branch of industry). This in turn

constituted an essential precondition for an enduring, and by some accounts even self-perpetuating, process of capitalist industrialization. Of course, such an extension of mass-consumption should not be taken to imply that a growing 'wage basket' in the traditional industrial countries on average contains more than is necessary for the reproduction of labour-power under the 'given' circumstances: under current circumstances in the industrial countries, expenditure on an ample diet, expensive rented housing or owner-occupation, consumer durables, cars, lengthy education, long holidays, social insurance, etc., on the one hand the result of the 'social contract' and hence in theory associated with rising productivity rather than the necessary costs of reproduction, is in fact to a large extent a part of these necessary costs for a work-force which is expected to be highly qualified and regionally mobile, and subject to intense and psychically stressful work. As far as individual workers are concerned, it becomes more and more difficult to avoid meeting these expenses in money-form as the oppportunities for satisfying these needs in non-commodity form contract both materially and psychically.

It might appear then as if the specific link between the capitalist mode of production and other forms of production and reproduction, in particular domestic labour, in conjunction with commensurate state activities after the Second World War, have enabled a process of autonomous 'immanent' extended reproduction of capital and labour-power to take place, in both technical and economic terms. That is, a type of reproduction which is not <u>systematically</u> reliant on periodic or permanent transfers from the Third World (understood here in its narrow geographical sense) - although such transfers (including migrant workers: 'Gastarbeiter') may in fact continue.

8

The development of the <u>developing countries</u> took a different course. The social structures which they historically inherited proved either defenseless or eventually outmatched, when pitched against the inbuilt expansionary aggression of Western European late-feudalism/early capitalism. The antithesis between almost stagnant productive forces (sometimes at a high level) and the stimulation of rapid development

in strategically crucial and rewarding areas such as 'guns and sails' (gunnery and seamanship), played an important if not decisive role. The developing countries lay open to their assigned role as desirable or necessary complements for the maintenance of feudalism or the development of capitalism: i.e. as reservoirs of cheap labour (ranging from slaves to modern immigrant workers), as markets for industrial products from the metropoles (local producers were eliminated as competitors either by open force, or - more civilised - through the hidden forces of the market), as suppliers of in the short-term non-substitutable or very cheap raw materials, and as sites for environmentally damaging industries.

This subordinate subsumption of the developing countries to the changing demands of the metropoles and accumulation on a world scale is the basic determinant of the development of the specifically capitalist mode of production in the Third World, in particular the snail's pace at which this development proceeds - the result of both local conditions and the mechanisms of global accumulation. These local conditions include, in particular, the economic, social and cultural resistance of non-capitalist 'sectors' and their members to the destruction of their traditional ways of life and forms of labour; in the long term this resistance is aided by the economic tenacity of these 'sectors', based on the intense exploitation of their workers, including where necessary 'self-exploitation' by the owners of the means of production (who as land-owners, petit bourgeois, or at another level beneficiaries of patriarchal relations, have the greatest interest in such resistance). On the other hand, the gain which has been repeatedly derived, and is still drawn, from the adaptive use, rather than destruction, of these 'sectors' under suitable circumstances by both the local ruling class and capital is large enough to explain the raison d'être of these 'sectors' in the global process of accumulation and the conscious efforts directed at their conservation.

Capital makes use of the labour-power of the developing countries in three basic forms. Firstly, as direct wage-labour in industrial-capitalist production. Secondly, labour in non-capitalist commodity production, principally the family-economy: this is used for as long and to an extent as is most beneficial for valorisation, as an alternative to using commodities produced in the industrial-capitalist

sector as inputs for capitalist production (examples are ground-nut production by small-peasant farms, which is marketed by agribusiness; sewing and embroidery by home-workers or in sweat-shops on contract for exporting firms or foreign retailers). Finally, as 'labour of reproduction', i.e. the labour of raising and looking after workers who will later be used by capital, either directly in industrial-capitalist production or indirectly in the non-capitalist commodity-production of elements of variable and constant capital.

This latter point requires expansion. The wages which wage-workers receive in developing countries are often only sufficient to cover the monetary costs of the daily restoration of labour-power during the period of actual employment, but not those expenses incurred to bring up a new generation or for care in 'old age' and invalidity, once workers have been thoroughly drained by labour in the capitalist sector. These have to be borne by the so-called 'backward' (traditional, informal etc.) sectors. And even those monetary costs required for the day-to-day restoration of labour-power during actual employment by capital are reduced by the use of non-capitalist sectors to a degree far exceeding that found in the industrialised countries - either in the form of unpaid services which the wage-worker's extended family provides, or has to provide, from the small surplus produced in non-capitalist production, or in the form of the cheapening of means of subsistence through having them produced in simple (non-capitalist) commodity-production. For capital what is important is that the reproduction of labour-power is subsidised externally to a much greater extent when it is located in a predominantly non-capitalist environment than is usual in the industrial countries (although it is still significant there), which consequently allows the super-exploitation of labour-power. It is the presence of such subsidies, and not the high rate of unemployment and the 'law of supply and demand' which make low wages economically and socially possible in the developing countries.

Because of these low wages and because up until the present day the specifically capitalist sector has only accounted for a narrow sector upon a broader base of non-capitalist modes of production, adapted and used by capital, the working class in waged employment has by and large represented a cost-factor (valorisation) and not, as in the industrial countries, at the same time a demand-factor (realisation) in industrial-

capitalist production: as a result one of the key preconditions for an enduring or maybe even self-perpetuating process of the capitalist industrialisation of the developing countries is absent, or at least appears to be so.

9

Taking the above outline of the present state achieved by the differing social contexts within which labour-power originates, we can list some structural conditions for the current valorisation of capital. These conditions represent on one hand the theoretically predictable and empirically verifiable outcome of the preceding uneven development of the capitalist world system, and on the other, those factors which in combination are likely to induce some movement in the international division of labour, as determined by capital.

A) On a world scale an almost inexhaustible reservoir of potential labour-power has come into existence, consisting of several hundred million people (compared with the 75 million or so employees who work in manufacturing industry in the traditional industrial countries). The bulk of this reservoir lives in the developing countries - the result of the gradual, but by no means complete, disintegration and destruction of non-capitalist modes of production - and represents a mass of labour-power available for use by capital when required as a supplement either to the supply of labour-power in the traditional industrial countries, or the additional potential located in the centrally planned economies which it already taps through international sub-contracting. Despite the concrete differences which exist between developing countries, this reservoir has certain common features which determine how it is, or may be, used in the capitalist valorisation process.

a) The wages paid by capital in the industrial-capitalist sector amount to around 10 per cent to 20 per cent of those in the traditional industrial countries. This may be even lower where capital contracts out to non-capitalist commodity producers and pays labour costs indirectly (as in modern domestic industry, cash crop farming etc.). As stressed above, the possibility of such low wages is bound up with

the existence of non-capitalist 'backward' sectors which function as breeding-grounds for fresh labour-power, as producers of cheap food-stuffs, and as 'refuges for the supernumeraries'.

b) In the industrial-capitalist sector the working day (working week or year) is noticeably longer for the individual employee, and very substantially longer for the 'collective worker' than is the case in the traditional industrial countries, where collective agreements and labour legislation limit working hours. In the developing countries extensive shift working, night and holiday work, and very small amounts of time lost through sickness, holidays, maternity, lateness and absenteeism and for training allow the working day to be greatly extended and permit highly profitable rates of capacity utilisation. It may well be that the same applies, and perhaps even more so, in the so-called 'backward' sectors whenever they are directly used by capital or forced to compete with the industrial-capitalist sector.

c) In view of the immense number of job-seekers employers have enormous freedom to hire and fire (assisted by suitably flexible labour-legislation). In particular, this allows a higher intensity of labour, since workers can be 'drained' more rapidly and then replaced by fresh workers.

d) In many cases, the size of the available reservoir of potential labour-power allows a selection of workers which is optimal for valorisation; i.e. according to age, sex, state of health, skill, discipline etc. Favoured groups are women aged 15-22, at most 25 ('girls' in management terminology), who are paid even lower wage rates than male workers. (In many instances, despite its low remuneration wage labour may be welcomed by these 'girls' as an alternative to and a means of - temporary? - escape from patriarchal forms of exploitation.)

e) Measured by the capitalist standards of the traditional industrial countries, the level of occupationally specific training is usually very low (attributable in part to the 'brain drain' from the developing countries). One of the number of exceptions are seamstresses, who at many locations constitute a group of workers which capital, or domestic commodity production, can turn to for 'traditional' skills. Requirements such as punctuality, sense of responsibility, cleanliness and

submissiveness are inculcated through both economic and extra-economic disciplinary mechanisms - such as instant dismissal on the slightest pretext, and the proscription of effective trade union activity. In the long term, a suitably organised education system together with the 'civilising' effects of wage-labour under conditions of high unemployment will no doubt be able to adapt the skills and discipline of the work-force to the imperatives of capital to an even greater extent than has already been achieved.

f) Productivity in the world market oriented industrial-capitalist sector, expressed as output per employee/hour (the result of the combination of work-organisation, discipline, capital equipment etc.) compares very closely with levels in the traditional industrial countries for similar processes, and in some cases exceeds it. This comparison is based on processes which have actually been transferred to world market factories and are in operation: it would be impermissible to conclude from this that the same would apply without qualification to the 'old' import-substitution manufacturing industry (for the protected local market). However, it is probable that comparable levels of productivity could be attained eventually in all those processes requiring rapidly trained semi-skilled workers.

B) The technologies and the organisation of the labour-process for the purposes of decomposing complex production processes into elementary parts have been refined to a degree (or could be so perfected) such that rapidly trained semi-skilled workers could carry out most of the fragmented routines which make up one entire production process. As 'factory' or 'technical' division of labour, this form appears to be conceptually distinct from the territorial or international division of labour, or the division of labour between different modes of production. In practice they are inseparable within the actual process of valorisation. Apart from the fact that such a decomposition often represents a first step or is the precondition for mechanisation or automation, this form of the division of labour has three significant aspects. Firstly, it permits an increase in the intensity and productivity of labour (Adam Smith). Secondly, it cheapens production by allowing each fragmentary operation to be allocated to workers possessing the minimum level of skill necessary for each routine - meaning as a rule labour-power which is abundant and therefore

easily available and very cheap (Charles Babbage). And thirdly, it facilitates tighter control of workers by making once necessary skilled workers no longer indispensable - thus placing a weapon in the hands of capital against 'temperamental' skilled workers, whose skills endow them with a degree of monopoly: moreover, this weapon is not blunted by the fact that other skilled workers may be temporarily needed elsewhere (Andrew Ure).

Considered in terms of what is abstractly possible technically and organisationally, the fragmentation of the production process can now be taken so far, if required, that the training period for individual operations in processes which as a whole are very complex can, in many instances, be cut to a few days, a few weeks or perhaps a few months (even in the running-in phase for a new product). The more the utilisation of labour-power within the immediate process of production in the developing countries appears as possible (and necessary) under the concrete imperatives of capital accumulation, the more the generally low level of occupationally specific skill possessed by workers in these countries will operate as one factor, among others, for the realisation of these abstract possibilities - will in fact force technology and techniques of work organisation in this direction. For example, the so-called electronic revolution may well enable great 'progress' to be made in the direction of increased automation, at the same time reducing the level of skill demanded of those workers still employed in the industry.[5] These determinants of the development and application of technology, which follow from the imperatives of capital accumulation, will no doubt be gladly overlooked by those analysts who blithely extrapolate those tendencies which once, or allegedly once, characterised technical development in the traditional industrial countries and who now regard the trend towards automation as the inevitable 'reply of the industrial countries' - intended to counter or even reverse the trend towards relocation.

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[5] A current instance: the firm of Kochs Adler AG, Bielefeld (West Germany), recently announced the development of an automatic sewing machine ('classical sleeve vents - sewing and folding performed in one single automated operation'). Third in the list of the ten points which characterised the machine was: 'Very short time required for training of unskilled operator'. See Textile Asia, November 1979, p. 125.

C) Techniques of transport and communication allow industrial production to be located and managed to an increasing extent irrespective of geographical distance (containers, roll-on/roll-off, air-freight, telex and other electronic communications etc.). Productivity has increased faster than average in these branches - the result of a quite correct assessment of the improved conditions for valorisation opened up by a geographical redistribution of capitalist production in other branches, a redistribution initially within and between the traditional industrial countries, and now - as an unintended consequence? - world-wide.

10

The three main points above emphasise those elements and changes in the contemporary structural conditions for the valorisation of capital which, although not individually, in conjunction could bring about change in the international division of labour. On the assumption (discussed below) that what we have identified as essentially qualitative changes have now reached sufficient quantitative proportions, we can expect to see either the development of entirely new relations of international competitiveness, or the significant broadening and intensification of existing relations. Two factors are of central importance.

Firstly, the creation of a world-wide industrial reserve army, and in a certain respect, a world market for labour-power. Although capitalism has always been characterised by enforced or voluntary migrations of workers, workers have usually been obliged for economic, social and political reasons to find a job which matches their skills in the vicinity of a fixed location. In contrast, capitalism is able to create jobs with specific skill-requirements either 'here' or 'there' depending on the prevailing conditions for valorisation. The changed constellation of structural conditions in the world economy means that workers in the traditional industrial countries now have to compete for their jobs to an unprecedented extent not only with workers from other industrial countries, but also with workers from the developing countries, all of whom can be played off against each other by capital.

Secondly, a world market for production sites is developing, on which the traditional industrial countries and the developing countries are forced to compete with and against each other to retain or attract world market oriented manufacturing industry. Although capital uses and needs the state to fulfil a variety of functions this does not necessarily mean it has to be reliant on one particular state.

These changes in the structural conditions for valorisation mean that in order to remain competitive, firms must take systematic account of the option of relocating production to sites with cheap, disciplined labour not merely in other industrial countries, or less developed regions in their own countries, but to an increasing extent to developing countries, and include such possibilities as a complement or alternative to other policies in making investment decisions. Rationalisation at traditional sites has been and still is an indispensable instrument in the valorisation of capital; what is now clear is that the policy of relocating parts of the production process to developing countries, as a complement to rationalisation or integrated with it, will grow in importance.

What is novel about such a world-wide reorganisation of capitalist production is not that production processes are split into fragments, that the fragments are distributed to sites and assigned to a specific type of labour-power in a way that the combination of a specific division of production in part-operations, a specific distribution of these operations to particular sites and their specific allocation to a certain type of labour-power ensures the optimal valorisation of capital under the prevailing economic and political conditions.[6]

What is new is that,in contrast to preceding decades if not centuries of capitalist development, the spectrum of alternative sites which can now be used is expanding rapidly in number, and at the same time being changed qualitatively. This spectrum now embraces not only sites in

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[6] However, process, site and labour-force innovations are not carried out for their own sake in isolation and optimised independently - the object of the optimisation technique is rather the undivided complex of process, site and labour-power innovations. Consequently, the often encountered, and politically motivated, view which separates rationalisation and relocation, and advances the position that sufficient forced rationalisation in the industrial countries could eventually make relocation to low-wage countries superfluous is misleading.

different industrial countries or different regions within one industrial country - in the final analysis with the sub-divisions of the labour force by age, sex, race, nationality etc. - but to an increasing extent sites in a large number of developing countries. This has meant an extreme process of diversification in the social context within which labour-power for industrial-capitalist production is recruited.

Without a detailed knowledge of the material on which corporate calculations are based, and without a glimpse into a company's books, it is of course impossible to say precisely which product-innovation, or which particular complex of innovations of site, process and type of labour-force is the one dictated for any individual firm; nor is it possible to specify in which ways labour-power will be utilised at new sites, or at which new sites - ranging from buying-in from domestic industry to the construction of a world market factory at a free production zone. Nevertheless, the information which is available is adequate both qualitatively and sometimes in quite precise financial detail to allow such calculations to be simulated.[7]

The extra profits promised by a world-wide reorganisation of capitalist production in accordance with these new conditions for individual firms, and the universalisation of this reorganisation through the mechanism of competition, are sufficient to explain the possibility and reality of such a reorganisation in a qualitative sense. For example, this perspective provides a plausible explanation for many of the indicators listed in the introduction which showed the existence of a distinct turning-point in capitalist development - especially changes in the international division of labour, at least as far as the general trend is concerned. Consider for example the doubling in the share of the developing countries in world exports of manufactured goods between 1968 and 1978, an expression of the rapid growth in the competitiveness

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[7] For example, Fröbel/Heinrichs/Kreye, op.cit., especially p. 174f, 571ff (English translation, p. 152, 381f); Editors of Textil-Wirtschaft, Schema einer Rentabilitätsberechnung für Erstellung eines Bekleidungsbetriebes in Tunesien. Stand: Frühjahr 1977, mimeo; author's conversations with Federal German industrialists and purchasing agents of the garment trade during a business trip to South East Asia for 'site inspection on spot' (fall 1978).

of sites in the developing countries for world market oriented manufacturing.[8]

11

However, the foregoing factors are not in themselves sufficient to explain the specific and quite abrupt point in time at which the world-wide reorganisation of capitalist production began: the end of the 1960s/beginning of the 1970s. An explanation of the timing of this phenomenon is all the more crucial when one considers the following passage written as early as 1701, in which an unknown English author presents his national contemporaries with a vision of rationalisation and relocation:

Wherefore, that the English Shipping may be cheaper than that of Holland, Ships might be built in our Plantations ... Ships are built in the Plantations of cheaper Materials and might be also by cheaper Labour ... That these may be wrought by cheaper Labour, the Work might be perform'd by Negroes. To single Parts of Ships, single Negroes might be assign'd, the Manufacture of Keels to one, to another Rudders, to another Masts; to several others, several other Parts of Ships. Of which, the variety wou'd still be less to puzle and confound the Artist's Skill, if he were not to vary from his Model, if the same Builders wou'd still confine themselves to the same Scantlings and Dimensions, never to diminish nor exceed their Patterns ... When once a good Model can be found, why shou'd the same be often chang'd. So that the same Negroes might be imploy'd in only single Parts of Ships of the same Scantlings and Dimensions, by which the Work of every one wou'd be render'd plain and easie ... And, thus a way is shewn to build in our Plantations by the hands of Negroes, to render a Work of such variety plain and easie, to enable Negroes to build with as much skill as those in Holland. The Strength of Negroes is as great; a way is shewn to make their Skill as great; wherefore, they might be taught to build as well, and with equal expedition. The Wages of Negroes are not so great as of the Dutch builders; the annual service of a Negroe might be hir'd for half the Price that must be given to one of these. Only high Wages, or slow and clumsy Workmanship, make Labour dear. Negroes may build as good Ships with equal Expedition, for half the Wages that must be given in Holland. And therefore, Ships of cheaper Materials built by cheaper Labour in our Plantations, must needs be cheaper than equal Ships in Holland. If Ships of Materials a great deal cheaper, might be built in our Plantations by Labour of half the price that must be given in Holland, they must

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8 Studies on some aspects of the process of reorganisation in manufacturing can be found in Fröbel/Heinrichs/Kreye, op.cit.; M. van Klaveren, Internationalisation and the Clothing Industry, mimeo 1976; Studies from the research project 'Industrial re-adjustment and the international division of labour' at the University of Tilburg/Netherlands (including work by Ben Evers, Gerard de Groot, Willy Wagenmans); Special Volume 'Philippines: Workers in the Export Industry', Pacific Research (Vol. IX, Nos. 3&4, March-June 1978); Special Volume 'Free Trade Zones & Industrialization of Asia', AMPO (Vol. 8, No. 4 & Vol. 9, Nos. 1-2 = Series Nos. 30-31, 1977); Anthony Edwards, The New Industrial Countries and their Impact on Western Manufacturing, London 1979. For studies on agribusiness cf. the books and articles by Ernest Feder.

needs be cheaper, and possibly by 20 or 30 per cent. or by Thirty or Forty Shillings in every Ton. Ships of any kind brought to England so very cheap, will reduce the price of others here; no Ships will be dear as long as any kind is cheap. To build as cheap in England, Men will be forc'd to keep more to the same Models in Ships of ordinary and common use; they will be forc'd upon the invention of Mills and Engines, to save the charge of Hands: they will be forc'd to work with more Order and Regularity, by which their Labour may be afforded cheaper.[9]

If this author can already discuss the advantages of a relocation of production to sites with cheaper labour and other favourable conditions (in this case, cheaper raw materials) in 1701, and in addition take into consideration the added transport costs incurred; if he is aware of how unskilled labour can be utilised: through the sub-division of the labour-process; if he predicts the mechanisation of production at traditional sites forced upon manufacturers in 'high wage countries' to compete with cheap imports; if he expects those branches placed in crisis by competition from low-wage countries to experience a run-down and deskilling of labour, coupled with increased discipline, higher intensity and productivity of labour - and if he is able to propose the establishment of free production zones in England, exempted from legal controls over trade and production and destined to absorb 'supernumerary' workers to produce manufactured goods using raw materials imported duty-free - if all this was conceivable at the beginning of the eighteenth century, why did the world have to wait until the end of the sixth decade of the twentieth to see the fulfilment of the first stages of this vision?

In view of this, it would appear that the structural conditions outlined in the previous sections and condensed into our three main points, cannot in themselves explain why the drastic world-wide reorganisation of capitalist production began when it did.

For example, although the developing countries' potential supply of labour-power has only recently been made available for industrial-capitalist wage-labour through the process of the capitalisation of agriculture and the irreversible proletarianisation of broad layers of the population within what remains a predominantly non-capitalist milieu,

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[9] Anon., Considerations on the East-India Trade, London 1701, in J.R.McCulloch (ed.), Early English Tracts on Commerce, reprint Cambridge 1970, p. 620-624.

and although the partial re-integration of the centrally planned economies into the international division of labour as determined by capital is also quite recent - in fact, capital and capitalism have always found ways and means of mobilising labour-power in sufficient quantity when required, be this 'exogenously' through the dissolution of non-capitalist modes of production in both the industrial and developing countries, or 'endogenously' through rationalisation and the creation of a sufficiently large industrial reserve army (in the strict sense of the term) varying with the rhythm of capital accumulation.

And, although the development of technology and the organisation of work now make it possible to sub-divide labour-processes into elementary operations requiring swiftly learned skills to a greater degree than previously, the history of capital and capitalism testifies to the fact that it has never required much time to adapt the structure and sub-division of production to changed economic opportunities and exigencies.

Or, further: although transportation techniques have achieved higher than average increases in productivity in the past decades, and in many instances have reduced the proportion of total costs accounted for by transport to a level which brings new world sites and new production structures within the realm of profitability - transport costs did not prevent Indian textiles from being unrivalled for cheapness 250 years ago.

Mirabeau's 'Impossible? Ne me dites jamais ce bête de mot!' seems to apply here. If the imperatives of world capitalist accumulation had really demanded it, all those 'natural obstacles' to production associated with obtaining labour, the extent of the division of labour and transport which might have constrained institutional innovation in the valorisation of capital or the world-wide reorganisation of production in the form indicated above would have perhaps been overcome many years earlier.

This indeterminacy is not surprising since our previous considerations were extensively based on what is essentially a static concept of the unevenness of capitalist development in the industrial and developing countries. To overcome this lack of determinacy it is necessary to look

more closely at the aspect of the uneven rhythm of capital accumulation ('unequal' development), and in particular, the developmental tendencies inherent in different models of accumulation. We begin with a very cursory descriptive account of the unequal development of capitalism.

12

The first reasonably clearly delineable form of a world division of labour which points towards and/or can be attributed to capitalism was the result of the attempt to overcome the crisis of Western European feudalism by means inherent to feudalism, but which in part also turned out to be elements of a future capitalist development. The key moments in this process include: geographical expansion, the establishment of the 'old' colonial system based mainly on plunder and monopoly, the unfolding of commercial and finance capital within the pores of late-feudal society on the basis of long-distance trade in luxury goods and some raw materials together with the organisation of large-scale credit, the beginnings of the economic decline of the Mediterranean countries and large parts of Central Europe, the complementary rise of the Netherlands and England, and export-oriented grain production based on the 'second serfdom' in Eastern Europe. However, the factors which were to prove the most decisive for later developments were the commercialization of agriculture and the transformation of land into negotiable private property, and the associated first steps in the proletarianisation of the rural population in some areas of Western Europe.

The destruction of the bases of independent agricultural subsistence production through primitive and primary accumulation/exploitation and the commercialisation of the land constituted the prelude to the centuries-long preparatory phase of industrial capitalism in Western Europe, characterised by capital's attempts to subsume to itself reluctant and recalcitrant labour-power. Initially tied to feudal relations of dependence in the small-peasant family-economy and in the guilds, and subject to varying degrees of uncertainty of existence, these producers were however also protected from the direct incursions of capital. Capital, in the form of commercial capital and finance-capital at the limits of the possibilities of its development within late-feudal society ('crisis of the seventeenth century'), was forced

to adopt the institutional innovation of a development of trade and production in mass consumer goods for the inter-regional and indeed world market, which alone had sufficient capacity to absorb such an output. In order to break the resistance of the guilds, the traditional institutional context for industrial commodity production, to their subordination to the imperatives of capitalist production, capital had to resort to the integration and development of dispersed rural industry. As the proletarianisation of the rural population developed this became increasingly the material basis for rural existence and probably also brought about a change in the pattern of fertility. By its very nature, dispersed rural industry did not allow any decisive increases in labour productivity: as a consequence, increases in production could only be achieved by extending the area of those regions engaged in domestic industrial production ('extensive accumulation'). This also corresponded with the transition from the 'old' to the 'new' colonial system: the switch to the production of agricultural and mineral raw materials in conjunction with a conscious management of labour-power (for example, the sugar plantation economy of the West Indies based on the importation of African slaves - one link in the Atlantic triangular trade); and the suppression of autonomous commercial or industrial development in the colonies, either through direct force, or through the forces of the market. This period also coincided with the gradual replacement of Holland by England as the hegemonial power in the capitalist world system.

Finally, a sufficiently advanced degree of proletarianisation of the direct producers and commercialisation of material production leading to the creation of a growing internal market, the vast increase in the possibilities for selling goods on the world market and a state prepared to give virtually unconditional support to the promotion of capitalist production facilitated a further institutional innovation in the shape of England's Industrial Revolution: this created the preconditions on which capital could now finally undertake the real subsumption of labour-power. With the arrival of the characteristic relation of domination over industrial-capitalist free labour-power in the factory system, methods for raising productivity became the characteristic means for the valorisation of capital and the expansion of production - without other (extensive) forms of commodity production ceasing to function as a necessary complement to industrial-capitalist production ('intensive' accumulation).

One of the consequences of the phase of the so-called Great Depression (1873/96) in Europe was the rise of new industrial-capitalist societies and the termination of England's period of indisputable hegemony, the rapid expansion of capital export abroad, the extension of a global network of shipping and rail connections - with their associated infra-structure - and finally a wave of transatlantic emigration of the millions made 'superfluous' by accumulation in Europe. Increasing imports of agricultural produce to Western Europe lowered the value of labour-power, at the cost of a serious crisis in Western European agriculture - whilst at the same time real wages slowly began to rise. The process of the degradation of the developing countries to the status of complementary instruments for metropolitan accumulation was finally accomplished.

Without abandoning the occasional necessity of absorbing cheap labour-power released by the disintegration of non-capitalist modes of production in the industrial and the developing countries, capital hereafter acquired the capacity to regulate the basis of its supply of labour-power to an extensively autonomous extent: subsequently, any exhaustion of the reserve army through the industrial cycle, or any undue growth in the degree of control exercised by workers over capital's power to preside over an atomised work-force, could be met by measures such as mechanisation and 'rationalisation' intended to reduce the numbers of workers needed and lower the costs of employing them.

Each of the initial years of the boom phases in the world economy also signify points at which capital has succeeded in politically neutralising the working class in the centres of capitalist production, following a preceding phase of depression and subsequent restructuring: this has either taken the form of outright defeat through 'class struggle from above', or under more developed conditions, the negotiation of a 'social pact' between capital and the working class in which the fundamentals of the capitalist economic and social system are put beyond discussion.

1793: Conservative reaction in England, workers in both factory and domestic industry temporarily 'deafened by the din of production'; in France, the collapse of the demand for a guaranteed minimum living standard, legislation against the right of workers to combine (loi Le Chapelier), abolition of feudal obligation to the benefit of peasants,

and hence the removal from the political struggle of the workers' most important potential allies.

1848: The defeat of the democratic revolutions accomplishes the exorcism of the 'spirit of communism', which circulated through Europe prior to 1848 and which threatened to abolish capitalism before it had scarcely put down roots.

1896: Concentration and centralisation have reduced competition between individual capitals and hence removed a certain degree of protection from the working class; the slow rise in real wages leads to the beginning of some sections of the working class in Western Europe orienting themselves towards an accommodation with the capitalist system.

1948: Early phases of industrial-capitalist development were characterised by the almost unlimited drive of not only individual capital but also of aggregate capital to keep down labour costs as low as possible in the interests of maximum profit. The consequences of this policy were regular realisation-crises based on the inadequate purchasing power of the mass of the population: in the 1920s and 1930s such crises even threatened the existence of the capitalist system itself. Once this most serious economic and political crisis in the history of capitalism had been terminated by the war-economy, high unemployment, world economic crisis, obstruction of 'economic democracy', 'moderation' and 'trade union responsibility', at the expense of the mass of the population, a new model of social partnership in the industrial countries was developed with the intention of avoiding the previous threatening defects in the system through planned increases in mass consumption. In addition, ideological competition with the socialist countries was to be waged through the economic satisfaction and political integration of the organised core of the 'old' working class.

13

The model of accumulation which sustained the unprecedented post-war boom in the years after 1948 was a product of US hegemony. After an initial period, the industrial countries pursued a policy of wage increases linked to increases in productivity, which ensured that the aggregate share of wages in national income did not 'become too high or too low' (Giovanni Arrighi) - thus avoiding both the Scylla of crises

of valorisation and in particular, the Charybdis of crises of realisation.[10] Moreover, wage increases also meant 'payment by results' - conserving or widening wage differentials in order to foster the politically desired 'aspirant' mentality. The fulfilment of the demands of the working class became increasingly only possible in commercialised forms, which corresponded to the overall demands of the system and increasingly also to the demands of the trade unions. Increasing mass incomes (even if they were very much simply a necessary consequence of the growing capitalisation of the sphere of reproduction and the increased marketing of leisure time), a tendency towards full employment and an extension of the 'welfare state' made this model attractive, especially to the hard trade-unionised core of the 'old' working class: 'This is our state! We won't destroy it!' The political expression of this was the hegemony of reformist workers' parties in the industrial countries (social democratic welfare states): the fact that external control and pressure for greater efficiency at work, in both factory and office, in the family and during leisure perceptibly increased (cf. the increase in premature retirement, drug dependency illnesses etc.) was accepted in return for the promise of the possibility of further advance in reform policies or in return for greater monetary reward. However, unlike the organised working class, capital could in principle discard this model should changed circumstances require it.

The long period of accelerated and increasingly 'autocentric' accumulation which began at the end of the 1940s led, around the mid-1960s, to a perceptible reduction in the size of the industrial reserve army in most capitalist industrial countries (euphemistically known as full employment). The point at which this state was reached was modified,

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10 Cf. for the following: Samir Amin, Le modèle théorique de l'accumulation et du développement économique et social du monde contemporain, in: Boubacar Barry, Le royaume de waalo, Paris 1972, p. 32-54; Samir Amin, Self-reliance and the New International Economic Order, Monthly Review, Vol. 29, No. 3, July-August 1977, p. 1-21; Wladimir Andreff, Profits et structures du capitalisme mondial, Paris 1976; Giovanni Arrighi, Towards a Theory of Capitalist Crisis, New Left Review, No. 111, September-October 1978, p. 3-24; Giovanni Arrighi, The Class Struggle in Twentieth-Century Europe, Manuscript 1979; Robert Boyer, La crise actuelle: une mise en perspective historique, Critiques de l'économie politique, Nouvelle série, Nos. 7-8, April-September 1979, p. 5-113; Hartmut Elsenhans, Grundlagen der Entwicklung der kapitalistischen Weltwirtschaft, in: Dieter Senghaas (ed.), Kapitalistische Weltökonomie, Frankfurt 1979, p. 103-148; Andre Gunder Frank, Weltwirtschaft in der Krise, Reinbek bei Hamburg 1978; Andre Gunder Frank, Crisis, Manuscript 1978; Eric J. Hobsbawm, The development of the world economy (reviewing W.W.Rostow, The World Economy: History and Prospect), Cambridge Journal of Economics, Vol. 3, 1979, p.

(cont. overleaf)

on the one hand, by the dissolution of small-scale agriculture and an increase in the participation rate of women, together with the forced addition of labour-power from abroad up to their 'natural' or political limits; and on the other hand, by the extension of the tertiary sector, reductions in working time and other similar measures. In such a situation, not untypical in the history of capitalism, a temporary reduction in investment (consider the 'investment gap' since 1970!) together with an increase in the share of investment devoted to rationalisation was the tried and classic - and as it seemed the only - method for bringing the supply of available labour-power, and the terms on which it was supplied, to a level and form acceptable to the demands of valorisation. This time, however, capital was not completely confined to this method - so to speak fortunately - since mass unemployment as an instrument for directing and disciplining the working class in the interests of accumulation now requires greater ideological camouflage, or better still, resort to exogenous, 'objective' causes, supposedly lying outside capital's and the state's control or influence.

Two decades of productivity-linked wage increases in the industrial countries had led to such a large growth in the differential between average industrial wages in the industrial countries and average industrial wages in the developing countries that, in conjunction with all the other structural conditions for the valorisation of capital which had not changed so rapidly, a relocation of parts of the manufacturing activities of the industrial countries to the developing countries became clearly economically feasible and - through the medium of competition - in many cases necessary as well. For an increasing number of processes by the end of the 1960s/beginning of the 1970s the cost advantages of industrial countries (infrastructure, education and training of workers, political stability, proximity to suppliers and consumers etc.) were no longer sufficient to compensate for the other types of cost advantages encountered in the developing countries (low wages, other working conditions favourable to valorisation, adequate labour productivity, numerous government subsidies etc.).

Note 10 (cont.)

305-318; Le Monde diplomatique, No. 309, December 1979 (with articles by Marc Anvers, Nicolas Baby, Claude Courlet and Pierre Judet, Joyce Kolko, Jean Roussel) and subsequent issues.

In other words: the model of social partnership based on wage increases linked to productivity increases is not tenable over a long period of time as a model of (increasingly autocentric) accumulation in the industrial countries, since what appear to be merely residual relations of the industrial countries to their social environment, principally peripheral capitalism in the developing countries, sooner or later serve, via the mechanism of rationalisation and relocation, to deprive this model of the central precondition of its functioning: its self-sufficiency. Rationalisation combined with relocation which constitute the response to the new structural conditions for the valorisation of capital, are now bringing about a tendential fall in employment in the industrial countries through the world-wide reorganisation of production, without requiring a forcing merely of rationalisation as the classical scheme demanded.

Because of the relative decline in the competitiveness of capitalist production in the industrial countries and because 'what has been taken by the oil-sheiks cannot be redistributed once more', the social partners have tacitly agreed that in future the growth in wages for those still employed in the industrial countries will no longer be linked to productivity but will be less, to an extent determined by what is 'economically feasible'.

Workers are assured that restructuring will contribute to making those remaining jobs in the industrial countries 'more secure': relocation of production to low-wage countries allows firms to achieve an 'optimal mix' and hence secure that production remaining in the industrial country. 'Defensive rationalisation' and 'economically feasible' wage increases in high-wage countries lower the share of wage costs in total production costs and hence lead to a reestablishment of competitiveness and profitability - 'today's profits are tomorrow's investments and the day after tomorrow's jobs' (an extremely misleading piece of propaganda as long as profits continue to be invested in rationalisation and/or relocation); finally, the energy crisis, product of two decades of incomparable economic growth fuelled by a flood of (excessively) cheap oil, is necessitating a fundamental restructuring of the economy and opening up new fields for investment.

These expectations remain, however, as yet unfulfilled. The outcome of the various restructurings to date has been a reduction in the growth of effective demand in the industrial countries and world-wide - the slackened growth in mass incomes in the industrial countries has not yet been balanced by a corresponding increase in the developing countries (including OPEC), or in any other way. This is the 'central' cause of the tendential fall in rates of growth in domestic product, industrial output and (with a lag) foreign trade observable in the industrial countries and to a lesser extent in the developing countries: 'central' - because it is the direct product of the conditions of the functioning of the post-war model of accumulation.

III

14

It is not particularly difficult to predict that the world-wide reorganisation and decentralisation of capitalist production, accompanied by comparatively low rates of growth, will continue over the next few years as there is no sign yet that the structural conditions for the valorisation of capital which underlie this development are likely to change in the foreseeable future.

There is, for example, no discernible political force which is both willing and able to impose a drastic reduction in the international freedom of movement of commodities and capital - and which could therefore restore that self-sufficiency which is required as a precondition for a renewed policy of wage increases tied to productivity in the industrial countries. The resistance of the organised working class in the industrial countries means that it is difficult to imagine a drastic deterioration taking place in wages and working conditions, which would constitute the decisive element of a policy of austerity - although this resistance is being paid for in the form of relatively high and rising unemployment. On the other hand, the level of subsidy

from the quantitatively still significant non-capitalist modes of production, and the competition between developing countries on the world market for production sites means that a noticeable improvement in wages and working conditions in the developing countries is virtually impossible (always on the assumption that the current social and economic structure remains essentially as it is). Only a drastic deterioration in the industrial countries and/or a noticeable improvement in the developing countries would be sufficient to affect the balance of cost advantages between respective sites such that the advance of the world-wide reorganisation and decentralisation of capitalist production might be placed in doubt.

Thus the principal factors which might necessitate a reappraisal of our original prognosis are not likely to be operating in the foreseeable future. Secondary factors might influence the speed, but not the fact or direction of this process.

A number of such secondary factors do act to favour and accelerate reorganisation: International organisations such as the World Bank, the IMF or UNIDO, which exercise a not inconsiderable role as representatives of the general interests of world capital in the encouragement of this reorganisation; the bourgeoisie in the developing countries, in their attempts to secure their local hegemony as brokers of capitalist world-market oriented sub-industrialisation through the creation of the preconditions for the exploitation of the human and natural resources of their countries - as much as is possible against internal resistance (the required means are removed from alternative uses which favour the interests of the majority: foreign credits are usually accompanied by strict conditions for use in the interests of world-wide capital accumulation rather than for programmes to increase local welfare; the resultant economic and social structure then represents a heavy mortgage for any future reform policies); governments and interest-groups in those industrial countries, in particular West Germany, whose position as technological leaders in conjunction with a corresponding structural change in their own economies appear to offer favourable conditions for the maintenance of their international competitiveness ('Modell Deutschland'; monopoly rent through the supply of turnkey plant, export of blue-prints etc.; the corresponding appropriate economic policy finds a mass basis in those white and blue

collar workers who see the chance for upward mobility and promotion and consequently advocate trade union 'moderation' in order to participate in the monetary gratifications of the system in the future, even though these might be less than previously, and possibly, of necessity, at the expense of their co-workers who may be rendered 'superfluous' by structural change, rationalisation and relocation and/or who may not possess the requisite amount of regional or occupational mobility); finally, even the state bureaucracies of the centrally planned economies, who have surreptiously accommodated themselves to the world-wide reorganisation of capital in the hope of stabilising the status quo in their own countries and, where possible, of deriving some benefit from their position of relative strength (compared with the developing countries) through a selective and modest involvement in this development (cf. for example projects propounded through 'tri-partite co-operation' or industrial co-operation agreements involving transfers of technology and know-how).

Other secondary factors constrain and slow down reorganisation: Such as the difficulty in creating the broad range of preconditions for capitalist production in developing countries outside of a few privileged sites (such as free production zones) as it were in the twinkling of an eye - factors such as labour discipline and skill, infrastructure, efficient administration etc. and in particular a 'favourable climate of investment' and 'political stability'; the resistance of organised workers in the industrial countries expressed, for example, in protectionist measures aimed at the excessive social disruptions following from unregulated structural change (mass unemployment on a scale comparable to that of the inter-war period is not politically practicable in the industrial countries); a deep feeling of insecurity in a number of camps about the way forward, since it has become evident that capitalist growth can no longer be regarded as an attainable social strategy for the future.

15

What effects can be expected given that the general tendency towards world-wide reorganisation and decentralisation of capitalist production makes further advances in the foreseeable future?

As far as the developing countries are concerned one thing is immediately clear: measured in terms of the number of jobs created in the last ten to fifteen years in world-market oriented production in the developing countries, this process simply does not possess the potential to reduce unemployment or underemployment in the developing countries in whole or part - whatever the prevailing wages and conditions - whereas conversely, the unemployment created in this combined process of rationalisation and relocation in the industrial countries is, in quantitative terms, by no means negligible when set against total employment in the industrial countries. A 'New International Economic Order' in which this process plays a key role will not reduce the existing wide disparities in the material positions of the majority of the population in the industrial and developing countries.

However, it is highly improbable that the relocation potential of manufacturing industry will be realised by all the developing countries in equal measure. 'Local', historically explicable pecularities on the one hand, and cost advantages based on the regional concentration of relocated production on the other, have led to the fact that at the present a large proportion of world-market oriented industry is concentrated in a small number of developing countries (the so-called threshold or newly industrialising countries, such as Hong Kong, Singapore, Taiwan, South Korea, Brazil, Mexico). Compared with the standard of reference provided by the industrial countries (or alternatively its converse in the majority of the developing countries) the possibilities for the massive subsidisation of the valorisation of capital by non-capitalist modes of production and reproduction has either ceased or will soon do so in these 'threshold' countries. Industrial wages will of necessity have to increase (or already have increased) in line with this development in order to guarantee the reproduction of labour-power on an aggregate social scale, with due regard for the contribution made by domestic labour and external labour-reserves (cf. Singapore's Malaysian hinterland). It is therefore possible to conceive of two alternative paths of development for the developing countries within the framework of the world capitalist system.

Either, the ensemble of relevant structural conditions for the valorisation of capital - in which wage-levels figure as only one, if important, element - develops in such a way that industrial production

remains competitive despite rising and possibly relatively high wages (cf. Hong Kong and Singapore in relation to the Philippines). These countries will then have the opportunity to undertake a progressive extension of their production since - in contrast to the case of import-substitution industry where (with the possible exception of the most populous developing and OPEC countries) the limits to industrial expansion are swiftly encountered because of the limited local demand in peripheral capitalist countries - they will be faced with a relatively large market, namely the industrial countries in whose trade they can possibly secure a growing share. A progressive capitalisation and industrialisation of these 'threshold' countries will therefore be possible if they can succeed in compensating for increasing costs of reproduction of labour-power, and other costs, by increasing the productivity of labour, improving infrastructure and training, mobilising inter-industry links, raising the quality of output with suitable specialisation, and shifting to new areas of production at the right times. This is all on the crucial assumption that access to markets remains unhindered and on condition that early-capitalist living and working conditions continue to dominate the bulk of the population.

Or, alternatively, and this applies to all developing countries and not merely the 'threshold' countries, increasing costs of reproduction of labour-power and wages (not to mention political instability etc.) will worsen the conditions for the valorisation of capital because of the absence of compensatory mechanisms and policies. In such a situation, once a critical threshold has been reached industrial capital will migrate to another site or at least cease expanding at that particular site. This form of industrial vagabondage which extends across the entire globe, and in particular between the developing countries, can be compared to shifting cultivation: as soon as the (social) soil is exhausted by the valorisation of capital and the despoliation of natural resources, it is left fallow for regeneration through the vegetative powers of non-capitalist or even socialist modes of production - possibly to reassume the role of victim in the future - in the desperate hope that the last extraction of the system's vital forces will not have irreversibly damaged the future recovery of the non-capitalist modes of production and, if necessary, accompanied by the cynical acceptance of famine, in accordance with the maxim: 'Let nature take its course!'

In addition to these two alternatives, which at most allow the potential for industrialisation on capitalist terms for a small number of threshold countries, the growth of 'political instability' in the Third World should not be forgotten. This carries with it the promise of a better future, even if initially only expressed in the form of temporary anti-imperialist class alliances or revolts lacking an explicit political direction.[11]

The revolutions in China, Cuba and elsewhere have shown that there are ways of overcoming the material poverty of the population of a developing country in less than a generation. Clearly, for the developing countries the mere destruction of peripheral-capitalist relations of production and domination, together with the partial and temporary withdrawal from the capitalist world market constitute significant productive forces in themselves. Only the future can say whether these socialist transitional societies - given that they have passed through the initial phase of mass mobilisation - can effect a long term defence against or escape from the economic and military threat and ideological challenge originating within the capitalist world system, with its as yet seemingly unbroken potential for raising productivity, without having to make increasing use of capitalist principles of social organisation and ideologies.

As far as the traditional industrial countries are concerned, capital will push ahead with a restructuring of the economy in the next few years on two main fronts. The first is the development of energy saving technologies, which - possibly after a period of forced use of nuclear power intended to diversify and allow a re-expansion of energy production - will replace the profligate technologies of the 1950s and 1960s. The second is the progress of the combined processes of rationalisation and relocation above all under the rubric of the 'electronic revolution' and 'subcontracting' of all kinds, with the main aim being the retention of as large a percentage of the work-force as possible outside the expensive structure of the 'welfare state', regardless of any shifts of production back to the traditional centres of industrial capitalism.

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[11] Cf. Monthly Review of February 1979 with contributions from Paul Sweezy, Harry Magdoff ('Iran: The New Crisis of American Hegemony') and James Petras, A.Eugene Havens ('Peru: Economic Crises and Class Confrontation').

The rate at which labour is discharged will remain high in the industrial countries. The difficulties of keeping frictional unemployment in check because of the large divergencies between the skills of those rendered unemployed and the requirements of new vacancies will be considerable and will inevitably mean serious additional physical and psychical stress on those affected.

At least three differing responses can be detected from those most affected by these developments. The trade-union organised hard core of the work-force in the technologically most advanced industrial countries (typically the male, mobile, aspirant, social-democratic voting, middle-aged skilled worker) advocates a continuation of the policies which characterised the boom - i.e. free trade externally and productivity-linked wage increases internally - in the expectation that the additional revenue provided by unequal exchange accruing to a country situated at the top of the international hierarchy can be appropriated to secure and increase the material-monetary wellbeing of at least their own social strata ('Modell Deutschland'). Those organised in trade unions in the other industrial countries and in those branches most severely affected by structural change in the technologically leading countries will demand protectionist measures in the industrial countries and social improvements in the world-market oriented industry of the developing countries in order to minimise the pressures of relocation and rationalisation in their own countries. The so-called unorganised workers, principally women, youth, temporary immigrant workers, so-called 'marginal groups' of all kinds, will seek to develop as much autonomy as possible from capital and create ways of living and working which run counter to the process of total commodification - which may have a political and economic stabilising effect in periods of depression, but in the long term could present a danger not only to the thesis that the capital-relation is indispensable, but to the relation itself.

Within the context of the precarious options open to them, states will attempt to plan structural change, i.e. to meet the necessities imposed by the system which the market itself cannot fulfil because of the temporary absence of individual profitability - principally measures to increase the international competitiveness of their respective national sites, and to reduce the reproduction costs of labour-power:

standardisation of mass consumption and of services (mass transit), 'flexible' labour-market policies, and policy on the family and social questions, subsidies for technological development etc. Also central is the attempt to convince the bulk of the population not only of the 'necessity of structural change' but also of the alleged necessity to do without 'no longer affordable' social services and other social reforms. In this context, the alleged malice of the sheikhs in unleashing the oil crisis provides a welcome alibi for the structural deficiencies of the capitalist system. A recent report expressed this in the following terms:

> The energy crisis will emerge more prominently as the central problem of the 1980s. The absolute necessity to establish new structures in the energy sector could in fact confirm prognoses of a new industrial revolution, an intensification of investment and enterprise and hence growth. The time for utopian discussion is finally, and irrevocably, past. It is action which is now required. However, this also means that after many years of consumer oriented policies we must reset the points of economic and financial policy so that the necessary massive finances needed for the structural reshaping using free enterprise methods are made available. We have lived long enough beyond our means.[12]

As yet it is not politically decided in the individual industrial countries whether this change takes the form of a return to antediluvian models of accumulation based on the drastic cutting-back of mass consumption (with increased susceptibility to crises) or a modified revival of the model of accumulation based on an expansion of mass consumption of the post-war period (with possible increased share of social consumption mediated through the state and financed by taxing receipts from relocations of production). It may be either: but should the world capitalist system succeed in reconstituting itself, it is to be hoped that for the sake of other, alternative perspectives, the international tensions which arise in a period of (quasi-)stagnation and structural change do not, against all previous precedent, discharge themselves explosively.

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[12] Walter Slotosch, Der Beginn einer Talfahrt, in: Süddeutsche Zeitung, 12-13 January 1980, p. 33. Cf. the quite different analyses in Le Monde diplomatique, December 1979 and January 1980.

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Appendix: World industrial production and world trade (market economies), 1948-1978

Figures for world industrial production and world trade are drawn mainly from data published by the UN, and converted into table form. The only conclusions presented here are those which relate to the turning-point in the capitalist world economy at the end of the 1960s/beginning of the 1970s. It is up to the reader to formulate conclusions which may relate to other aspects.

The units in which the data are presented are countries and groupings of countries, as most available data relate to these units. However, the analysis often demands that these national categories be supplemented by other units more appropriate to the key aspects of capitalist development (for example, firms, households, states, or modes of production and reproduction).[1]

Table 1 shows the average annual rates of growth in domestic product, industrial production and exports for the traditional industrial countries and the developing countries for 5-year periods between 1948 and 1978 in "real" percentage terms. Short-term economic fluctuations have been ironed out where possible to reveal medium-term trends.

The data in Table 1 show that average annual "real" rates of growth of domestic product, industrial value-added and exports for the industrial countries (and for the market economies as a whole) rose from the mid-1950s to a historically unique high point in the mid-1960s, and subsequently fell back. The same qualitative picture applies to the developing countries: the only difference is that the turning-point in growth-rates was not reached until the early 1970s, and the decline is less pronounced.

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[1] Since our main concern here is with the capitalist world economy the tables are concentrated on the market economies (industrial and developing), and for the most part exclude the centrally planned economies for which comparable data is anyway often lacking. The penetration of free market elements into the centrally planned economies and the partial re-integration of these economies into the capitalist world division of labour are important, but not as yet of great quantitative significance in relation to world aggregates. The data for the industrial and developing

(cont. overleaf)

It is difficult to give these "real" figures an unambiguous, economically graspable interpretation as volumes - doubly difficult in periods of rapid depreciation in the US Dollar and marked increases in the price of the most important traded good (oil) (problem of deflating prices). As a consequence the conclusions drawn from Table 1 should be confined to the stated structural features of figures which in themselves are somewhat problematic in character. This diachronic comparison of "real" magnitudes will be supplemented in later tables by a synchronic analysis of nominal figures of less problematic significance for a number of sample years. Of course, both here and later, the numerical accuracy of such isolated data should not be overestimated (problem of data collection). Consequently, we take only the main trends which can be immediately seen from the tables as the basis for the further exposition of our argument. The fact that these global trends almost without exception fit into the overall picture, to which can be added many other indicators, is the best proof that one has not been deceived by statistical illusions.

The following specific conclusions can be formulated on the basis of the tables:

1. During the entire period under consideration, the rates of growth of exports from the industrial countries, especially for manufactured products, exceed those of domestic product and industrial production. The same applies since the beginning of the 1960s for the production and export of manufactured goods of the developing countries (Table 1). This suggests that world economic interdependency has increased in the sphere of manufacturing industry, particularly since the beginning of the 1960s. This opinion is substantially confirmed by the development of export ratios (exports as a percentage of domestic product) (Tables 17 and 18). A similarly high degree of interdependency has probably existed only once before - in the years immediately before the First World War.[2] The increase in export ratios was especially pronounced

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Note 1 (cont.)

countries cover up large differences between individual countries within the overall groupings. Any analysis of the (uneven) development of capitalism must naturally consider such differences: in an attempt to take a first step in this direction some of the tables are disaggregated into less all-embracing country groupings and data are also provided for some individual countries.

[2] This high degree of world economic interdependency is accentuated by the fact that (cont. overleaf)

in the period 1968-1974; after 1974 this increase came to a standstill. One interpretation of this states that the "export safety-valve" had exhausted its role as an important stabilising element in economic growth not only for individual "national" economies but also for the capitalist world economy as a whole. Another reading interprets the steep rise in export ratios in the period 1968-1974 as an expression of the forced transnational reorganisation of capitalist production in the initial years of the depression.

2. The rates of growth of domestic product and industrial production are clearly higher since the beginning of the 1970s in the developing countries than in the industrialised countries. Correspondingly, since the beginning of the 1970s the share of domestic product and industrial value-added in the market economies accounted for by the developing countries begins to increase slightly, after two decades in which it had slightly fallen (Table 3).[3]

3. The developing countries' share of world exports, which fell after 1948, began to rise again after the early 1970s. The same applies for the sub-group of developing countries without OPEC - although the increase in their share of world exports is less pronounced. Complementary figures apply for the industrial countries (Table 4).

4. The developing countries' share of world exports of primary products excluding fuels, which had fallen from the end of the Second World War until the early 1970s, is beginning to increase slightly once more, whereas their share of world exports of fuels has virtually increased continuously (with a steep rise in 1974 based on OPEC price increases) (Table 5).

Note 2 (cont.)

a significant and probably growing percentage of world trade is traffic between the various establishments of one and the same company in different countries. Cf. UN, Transnational Corporations in World Development: A Re-examination, New York 1978, p. 43 and Tables 3, III-16, III-17.

3 Especially in the developing countries high rates of growth are primarily expression of the accelerated inclusion of "traditional" activities into the market. They indicate a more rapid growth of commodity production, not necessarily (or at least not to the same extent) production per se.

5. Since the mid-1960s the rate of growth of exports of manufactured products in the developing countries has been clearly greater than in the industrial countries. As a result, the share of the developing countries in the world exports of manufactured products has, after a long period of stagnation, virtually doubled since the end of the 1960s from 4 per cent to around 8 per cent (Tables 6 and 8).[4] A breakdown of exports by commodity groups shows that the developing countries' share in world exports began to increase slowly but steadily towards the end of the 1960s in nearly all the major commodity groups.[5] This growth and/or the share of world exports is particularly noticeable in textiles and garments.[6] Other commodity classes with high rates of increase are office machinery and telecommunications equipment (including electronic components) and household goods (including

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[4] The data from the UN and GATT on which this is based only reveal the lower limit of the developing countries' share as they do not completely record exports from Free Production Zones: "In Mexico, for instance, such unreported exports amounted in recent years to some one-and-a-half billion dollars, i.e. nearly 5 per cent of manufactured goods exported by all developing countries. Assessment of this trade is particularly difficult and no attempt was made to include it." GATT, Networks of World Trade by Areas and Commodity Classes 1955-1976, Geneva 1978, p. 6f. For example, in 1977 Mexico's exports were given as $ 4071 million, of which 3325 went to OECD countries, 2740 of this being to the US: in the same year the OECD countries alone recorded imports from Mexico of $ 5840 million (US - 4689). In 1976 Mexico's reported exports of manufactured goods were $ 1156 million: OECD reported imports were 2303 (US - 1944). UN, Yearbook of International Trade Statistics 1977, New York 1978; OECD, Statistics of Foreign Trade, Series C, 1976 and 1977 editions. (Cf. Table 9.)

[5] The drop in the recession year 1975 shows that world market oriented production in developing countries is not only highly fragmented but also in addition very unstable (responsive to fluctuations).

[6] Among the major commodity groups of manufactured products garments constituted the most important import from the developing countries as far as share of value in the domestic market in the industrialised countries (EEC, USA, Canada, Japan) was concerned - garments comprises SITC 61, 83-85. In 1974/75 this share was 7.2 per cent compared with 1.9 per cent in 1968; the corresponding shares from imports from other industrial countries were, 1974/75 2.6 per cent, 1968 0.7 per cent; from centrally planned economies, 1974/75 1.1 per cent, 1968 0.2 per cent; thus, as a whole the share of "external" imports rose from around 2.9 per cent in 1968 to 11.0 per cent in 1974/75, whilst "external" exports rose from 2.8 per cent in 1968 to 4.1 per cent in 1974/75 (foreign trade between the named industrial countries is excluded). See UNCTAD, Handbook of International Trade and Development Statistics 1979, New York 1979, Table 7.1. The corresponding drastic fall in employment in the garment industry in the named industrial countries has produced progressively stricter import restrictions which first succeeded in putting a brake on the rising imports of garments from developing countries in 1977, and particularly redistributed their points of origin. - For manufactured products as a whole, the developing countries' share in the imports of the industrial countries amounted to around 9 per cent in 1978; this represented 3 per cent of the total sales of manufactured products in industrial countries. See GATT, International Trade 1978/79, Geneva 1979, p. 8.

consumer electronics, photographic equipment and watches) (Table 8). In contrast to a commonly held view, the share of textiles and garments in the export of manufactured products from developing countries has not increased over the last twenty years but has in fact fallen from around 40 per cent (1955) to around 30 per cent by the mid-1970s: marked increases have occurred in this period in the share accounted for by mechanical engineering and electrical engineering (from around 10 per cent to around 30 per cent). In terms of the variety of commodity classes involved, exports from developing countries have become noticeably more diversified (Table 12). It should not however be forgotten that such exports often (but not always) consist of goods which have already been imported in semi-manufactured form in order to proceed through a few simple steps of further manufacturing such as sewing, soldering, assembly, testing and packing. Exports are concentrated on a relatively small number of countries. In the 1970s around two-thirds of all the exports of manufactured goods were accounted for by a mere seven countries and half by South Korea, Taiwan and Hong Kong (Table 7).

6. In the period under consideration manufactured products have gained in significance compared with primary products in the developing countries' exports; even the leap in receipts from exports of mineral oil in 1974 did not change this fact significantly. Whereas in 1955 primary products (excluding fuels and including non-ferrous metals) accounted for 67 per cent of exports and manufactured products for 8 per cent, by 1978 the shares were around 25 per cent and 22 per cent respectively. If fuels are left out of account this means that the developing countries have shifted from being almost exclusively pure raw material exporters in the 1950s to a position where manufactured products are of almost equal significance in their export trade (Tables 10 and 11).

7. At first glance the regional structure of world trade has changed little in its basic outline over the past thirty years. For example, almost three quarters of the exports of the developing countries still go to the industrial countries: just as before, around a half of world trade comprises trade between the industrial countries, and trade between the members of the European Community on its own accounts for one fifth of world trade. On closer examination it can be seen that exports between industrial countries as a percentage of world exports rose between 1948

until the beginning of the 1970s (41 per cent to 56 per cent in 1972), and then fell back again (48 per cent in 1978). In part this development reflects on one hand the increased earnings of the OPEC countries for oil and the corresponding rise in the export of manufactured products to the OPEC countries, and on the other, the increase in exports of manufactures from other developing countries (Tables 13 to 16).

8. The volume of employment in manufacturing industry expanded faster in the developing countries than in the industrial countries since the beginning of the 1950s; since the end of the 1960s this difference has increased enormously. The average annual rates of growth of employment in manufacturing industry in the developing countries over the last thirty years have been between +4 per cent and +6 per cent; in the industrial countries between +3 per cent and -2 per cent, with a tendency to fall. However, even during the 1974/75 recession, the volume of employment in manufacturing industry in the market economies as a whole still rose (Table 19).

Summary: The most general world aggregates show quite unmistakeably that a turning-point was reached in the capitalist world economy at the end of the 1960s/beginning of the 1970s (i.e. before the "oil crisis"). The most notable items of proof for this thesis have been cited above. What are fundamental are not so much the absolute levels of percentage shares with their slight changes, but rather the reversal or substantial acceleration of certain trends. Of central importance is the doubling in the share of world manufactured exports accounted for by the developing countries in the last decade.

Tables: World industrial production and world trade (market economies), 1948-1978

Notes

Explanation for the tables is kept to the minimum necessary.

Additional details can be found in the sources.

The country groupings usually follow the UN practice, i.e.
Industrial countries = Europe excluding Eastern Europe, Canada, USA, Japan, Australia, New Zealand, Israel, South Africa
Centrally planned economies = Eastern Europe, China, Mongolia, North Korea, Vietnam
Developing countries = all other countries

ISIC = Industrial Standard Industrial Classification of All Economic Activities, Rev. 2 (1968)

SITC = Standard International Trade Classification, Rev. 1 (1961)

Table 1

Average annual rates of growth of gross domestic product, industrial production and exports of the industrial and developing countries: 1948/53, 1953/58, 1958/63, 1963/68, 1968/73, 1973/78

in per cent

	1948/53	1953/58	1958/63	1963/68	1968/73	1973/78
Industrial countries						
Gross Domestic Product per capita	3.5[1]	2.5	3.3	4.0	3.0	2.0[5]
Gross Domestic Product	4.8[1]	3.6	4.5	5.1	3.9	2.9[5]
Value Added by Industry (ISIC 2-4)	6.8[2]	3.9	5.1	6.0	4.2	2.8[6]
Value Added by Manufacturing Industry (ISIC 3)	7.0[2]	3.7	5.3	6.3	4.1	2.7[6]
Exports (SITC 0-9)	8.4[1,3]	6.4	6.8	8.8	8.8	5.7[6]
Exports of Manufactured Products (SITC 5-8)[a]	9.6[1,3]	6.5	7.2	10.1	9.8	6.5[6]
Developing Countries						
Gross Domestic Product per capita	2.2[1]	2.3	2.3	2.9	3.9	3.3[5]
Gross Domestic Product	3.9[1]	4.8	4.7	5.3	6.3	5.6[5]
Value Added by Industry (ISIC 2-4)	6.5[2]	7.2	6.9	7.7	8.0	4.7[6]
Value Added by Manufacturing Industry (ISIC 3)	5.5[2]	6.8	6.1	6.9	8.1	5.7[6]
Exports (SITC 0-9)	3.1[1,3]	4.4	5.4	5.2	5.0	4.5[5,7]
Exports of Manufactured Products (SITC 5-8)[b]	0.5[4]	5.0	8.2	10.6	13.1	12.0[5,7]

Sources: UN, Yearbook of National Accounts Statistics, various years; UN, Yearbook of Industrial Statistics, various years; UN, Statistical Yearbook, various years; UN, Yearbook of International Trade Statistics, various years; UN, Monthly Bulletin of Statistics, various years; UNCTAD, Handbook of International Trade and Development Statistics, various years; author's calculations

Growth rates are calculated on the basis of the annual volume (quantum) index for each variable (base years, 1958 = 100 for 1948/53, 1963 = 100 for 1953/58 and 1958/63, 1970 = 100 for 1963/68 and 1968/73, 1975 = 100 for 1973/78). For any year n, instead of taking the volume index for year n the above takes the geometric mean of the volume indices for years n-2, n-1, n, n+1, n+2. Growth rates are calculated from these mean-values using the compound interest formula. (For example, the 1958/63 column gives growth rates for 1956-1960/1961-1965.) Some indices have been obtained by changing bases.

[a] 1948-1973: Exports of EEC(6), UK, Sweden, Switzerland, Japan, USA, Canada; also India in the initial years
[b] Exports to market economies

[1] 1948,1950/1951-1955 [2] 1948-1950/1951-1955 [3] Base year 1953 = 100 [4] 1950/1951-1955 [5] 1971-1975/1976,1977
[6] 1971-1975/1976-1978 [7] Base year 1970 = 100

Table 2

Share of selected countries and country groupings in world population, gross output, gross domestic product, exports and exports of manufactured products for the world and market economies: 1976

World = 100, Market economies = 100

	Popu-lation	Gross Output	Exports SITC 0-9	Exports SITC 5-8	Popu-lation	GDP	Exports SITC 0-9	Exports SITC 5-8
World	100	100	100	100	.	.	.	.
Centrally planned economies, Asia	22.7	5.2	0.8	0.6	.	.	.	.
Centrally planned economies, Europe	9.1	14.9	8.5	8.3	.	.	.	.
Market economies	67.6	79.9	90.7	91.1	100	100	100	100
Industrial countries	18.9	64.9	64.9	83.1	27.9	81.3	71.6	91.1
Developing countries (excl. OPEC)	41.3	10.7	11.9	7.8	61.1	13.4	13.2	8.6
OPEC	7.4	4.2	13.8	0.2	11.0	5.3	15.2	0.3
Industrial countries								
USA	5.3	25.1	11.5	13.2	7.9	31.4	12.6	14.5
Japan	2.8	8.2	6.8	11.0	4.1	10.2	7.5	12.1
EEC(Nine)	6.4	20.4	32.9	44.0	9.5	25.6	36.3	48.3
(incl. W.Germany)	(1.5)	(6.6)	(10.3)	(15.5)	(2.3)	(8.2)	(11.4)	(17.0)
Other	4.4	11.2	13.7	14.8	6.5	14.0	15.1	16.2
Developing countries (excl. OPEC)								
Brazil	2.7	2.1	1.0	0.4	4.0	2.7	1.1	0.4
India	15.1	1.3	0.6	0.5	22.3	1.6	0.6	0.6
S.Korea + Taiwan + Hong Kong + Singapore	1.4	0.9	3.1	4.2	2.1	1.1	3.5	4.6
Other	22.1	6.4	7.2	2.7	32.7	8.0	8.0	3.0

Sources: UNCTAD, Handbook of International Trade and Development Statistics 1979, New York 1979; UN, Monthly Bulletin of Statistics, 2/1979, 5/1979, 6/1979; UN, Yearbook of International Trade Statistics 1977, New York 1978; Statistical Yearbook of the Republic of China 1978; author's calculations

Table 3

Share of selected countries and country groupings in the gross domestic product of the market economies: 1948, 1953, 1958, 1963, 1968-1978

Gross domestic product of the market economies = 100

	1948	1953	1958	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Market economies	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Industrial countries	82.5	83.0	83.0	83.8	84.7	84.7	84.4	84.3	85.1	84.5	81.4	81.5	80.9	80.6	...
Developing countries (excl. OPEC)	17.5	17.0	14.1	13.8	12.9	12.8	13.1	12.9	12.3	12.4	13.9	13.6	19.1	19.4	...
OPEC			2.9	2.4	2.4	2.5	2.5	2.8	2.6	3.1	4.6	4.9			...
Industrial countries															
USA	46.7	46.8	46.5	42.6	41.8	41.0	39.8	38.3	37.3	33.8	31.6	30.6	31.2	30.7	...
Japan	1.9	2.7	3.3	4.9	7.0	7.4	8.0	8.3	9.3	10.6	10.2	10.1	10.4	...	...
EEC (Nine)	24.3	24.0	22.3	25.3	24.3	24.6	25.2	25.7	26.6	27.4	26.0	27.2	25.7	25.8	...
(incl. W.Germany)	(4.7)	(5.3)	(5.4)	(6.9)	(6.5)	(6.8)	(7.6)	(7.9)	(8.3)	(9.0)	(8.6)	(8.4)	(8.2)	(8.4)	(...)
Other	9.6	9.5	10.9	11.0	11.6	11.7	11.3	12.1	11.9	12.7	13.6	13.6	13.6	...	...
Developing countries (excl. OPEC)															
Brazil	0.8	0.9	1.1	1.8	1.4	1.4	1.9	1.8	1.9	2.0	2.4	2.5	2.7	2.7	...
India	3.9	3.4	3.2	3.0	2.1	2.1	2.2	2.1	2.0	1.9	1.9	1.7	1.6	...	...
S.Korea + Taiwan + Hong Kong + Singap.	...	...	0.6	0.6	0.7	0.7	0.8	0.8	0.8	0.8	1.0	1.0	1.1	1.2	...
Other	...	...	9.2	8.4	8.7	8.6	8.2	8.2	7.6	7.7	8.6	8.4	...	...	...

Sources: UN, The Growth of World Industry 1938-1961: International Analyses and Tables, New York 1965; UN, Yearbook of National Accounts Statistics, Volume II(III): International Tables, 1969, 1972ff editions; Statistical Yearbook of the Republic of China 1978; author's calculations

Table 4

Share of selected countries and country groupings in world exports: 1948, 1953, 1958, 1963, 1968-1978

World exports SITC 0-9 = 100

	1948	1953	1958	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Industrial countries	64.0	64.9	65.8	67.4	70.4	71.1	71.8	71.9	71.8	70.9	64.7	66.1	64.9	64.8	67.1
Developing countries (excl. OPEC)	24.2	20.4	16.1	14.3	12.4	12.3	12.1	11.1	11.3	11.8	11.8	11.2	11.9	12.3	12.1
OPEC	5.4	5.1	6.8	6.1	5.8	5.5	5.6	6.6	6.5	7.3	15.0	13.0	13.8	13.4	11.3
Centrally planned economies	6.4	9.6	11.3	12.2	11.4	11.0	10.6	10.4	10.4	10.0	8.5	9.7	9.3	9.6	9.5
Industrial countries															
USA	21.9	18.9	16.4	14.9	14.3	13.7	13.6	12.4	11.8	12.2	11.6	12.2	11.5	10.5	11.0
Japan	0.5	1.5	2.7	3.5	5.4	5.8	6.2	6.9	6.9	6.4	6.6	6.4	6.8	7.2	7.5
EEC(Nine)	24.0	28.2	31.5	33.5	34.4	35.3	35.7	36.6	36.9	36.7	32.8	33.9	32.9	33.7	35.1
(incl. W.Germany)	(1.4)	(5.7)	(8.5)	(9.5)	(10.4)	(10.6)	(10.9)	(11.1)	(11.1)	(11.8)	(10.6)	(10.3)	(10.3)	(10.5)	(10.9)
Other	17.5	16.2	15.2	15.4	16.3	16.3	16.3	16.0	16.2	15.6	13.7	13.7	13.7	13.4	13.6
Developing countries (excl. OPEC)															
Brazil	2.1	1.9	1.1	0.9	0.8	0.8	0.9	0.8	1.0	1.1	0.9	1.0	1.0	1.1	1.0
India	2.4	1.3	1.1	1.1	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.5
S.Korea + Taiwan + Hong Kong + Singap.	2.0	1.8	1.6	1.6	1.8	2.0	2.0	2.2	2.5	2.9	2.6	2.5	3.1	3.3	3.6
Other	17.7	15.4	12.3	10.7	9.1	8.8	8.6	7.5	7.2	7.3	7.8	7.2	7.2	7.3	7.0

Sources: UN, Yearbook of International Trade Statistics, 1970/71, 1976, 1977 editions; UN, Monthly Bulletin of Statistics, 5/1979, 6/1979; Taiwan Statistical Data Book 1978; author's calculations

Excludes trade between Asian centrally planned economies
Excludes trade East and West Germany

Table 5

Share of selected countries and country groupings in the world exports of primary products and fuels: 1955, 1960, 1963, 1968-1978

Primary products (excluding fuels) — World exports SITC 0,1,2,4,68 = 100

	1955	1960	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Industrial countries	50.2	53.8	55.6	58.1	57.4	59.6	60.8	61.6	63.0	61.5	62.2	61.5	59.9	...
Developing countries (excl. OPEC)	40.3	35.5	34.2	31.5	30,1	28.3	26.6	26.5	25.5	27.3	26.3	27.3	28.7	...
OPEC					2.2	2.5	2.5	2.3	2.3	2.2	1.9	2.3	2.5	...
Centrally planned economies	9.5	10.7	10.2	10.4	10.3	9.6	10.1	9.6	9.1	9.0	9.6	8.9	8.9	...
Industrial countries														
USA	10.5	14.0	13.6	12.8	11.9	12.9	12.0	12.1	15.1	15.0	15.3	14.5	13.3	...
Japan	0.8	0.9	1.0	1.2	1.4	1.4	1.5	1.4	1.2	1.6	1.2	1.2	1.2	...
EEC (Nine)	16.0	15.9	20.2	21.3	22.1	22.5	23.9	25.8	24.5	24.1	25.4	24.7	25.5	...
(incl. W.Germany)	(1.3)	(1.7)	(1.8)	(2.9)	(3.0)	(3.2)	(3.4)	(3.4)	(3.9)	(4.2)	(4.0)	(4.2)	(4.4)	(...)
Other	22.9	23.0	20.8	22.8	22.0	22.8	23.4	22.3	22.2	20.8	20.3	21.1	19.9	...
Developing countries (excl. OPEC)														
Brazil	3.5	2.5	2.5	2.4	2.7	2.7	2.6	3.0	3.1	3.0	3.2	3.5	3.7	...
India	...	1.5	1.6	1.2	1.0	1.1	1.0	1.0	0.9	0.9	1.2	1.2	...	...

Fuels — World exports SITC 3 = 100

	1955	1960	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Industrial countries	31.7	26.5	26.4	23.7	24.3	26.7	24.4	24.4	22.8	15.4	17.3	16.1	16.4	...
Developing countries (excl. OPEC)	58.3	60.5	60.4	65.2	10.5	10.2	13.2	8.8	9.5	9.3	10.3	10.1	9.8	...
OPEC					54.2	52.6	56.3	57.5	58.8	69.5	63.7	65.2	64.5	...
Centrally planned economies	10.8	12.9	13.2	11.1	11.1	10.4	9.7	9.3	9.0	5.8	8.7	8.7	9.3	...

Sources: UN, Yearbook of International Trade Statistics, various years; UN, Monthly Bulletin of Statistics, 2/1960, 3/1964, 3/1969, 4/1974, 9/1974, 4/1975, 7/1975, 2/1976, 8/1976, 2/1977, 5/1977, 2/1978, 6/1978, 2/1979, 5/1979; UNCTAD, Handbook of International Trade and Development Statistics, 1972, 1976, 1979 editions; Statistical Yearbook of the Republic of China 1978; Taiwan Statistical Data Book 1978; author's calculations

Excludes trade between Asian centrally planned economies
Excludes trade between East and West Germany

Table 6

Share of selected countries and country groupings in the world exports of manufactured products: 1955, 1960, 1963, 1968-1978

World exports SITC 5-8 excl. 68 = 100

	1955	1960	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
World	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Industrial countries	85.2	83.7	82.6	84.6	85.0	84.9	85.7	84.4	83.9	84.8	84.3	83.7	83.4	...
Developing countries (excl. OPEC)	4.4	3.9	4.1	4.5	4.4	4.8	4.3	5.5	6.5	6.4	6.1	7.2	7.4	...
OPEC					0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2	...
Centrally planned economies	10.4	12.4	13.3	11.0	10.4	10.1	9.8	9.9	9.5	8.5	9.3	8.9	9.0	
Industrial countries														
USA	22.6	18.9	17.3	16.4	15.7	15.0	13.9	12.8	12.6	13.5	13.9	13.5	12.3	...
Japan	4.0	5.5	6.0	8.6	9.0	9.4	10.5	10.4	10.0	11.2	10.5	11.3	11.9	...
EEC (Nine)	46.4	47.4	47.0	45.0	45.3	45.7	46.5	46.3	46.6	45.7	45.5	44.5	45.0	...
(incl. W.Germany)	(11.9)	(14.9)	(15.4)	(15.4)	(15.5)	(15.7)	(16.0)	(15.7)	(17.0)	(16.8)	(15.6)	(15.7)	(15.8)	(...)
Other	12.2	11.9	12.3	14.6	15.0	14.8	14.8	14.9	14.7	14.4	14.4	14.4	14.2	...
Developing countries (excl. OPEC)														
Brazil	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.5	...
India	1.1	0.9	0.8	0.6	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.5	...	...
S.Korea + Taiwan + Hong Kong + Singapore	...	...	1.4	1.8	2.2	2.4	2.7	3.1	3.7	3.6	3.3	4.3	4.5	...
Other	...	...	...	...	1.5	1.6	0.9	1.6	2.0	2.0	2.0	2.0	...	...

See Table 5 for sources and notes

Table 7

Share of selected countries in the exports of manufactured products (excluding non-ferrous metals) of the developing countries: 1955, 1960, 1963, 1968-1978

Exports SITC 5-8 excl. 68 of the developing countries = 100

	1955	1960	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Developing countries	100	100	100	100	100	100	100	100	100	100	100	100	100	100
South Korea	0.2	0.2	1.1	5.3	6.3	6.7	9.1	9.3	11.8	12.2	12.8	16.2	17.1	...
Taiwan	...	...	3.8	8.0	9.8	11.9	17.1	16.7	16.3	15.3	13.3	16.7	16.0	...
Hong Kong	17.9	21.9	20.4	21.0	26.6	24.4	27.8	22.1	20.3	17.5	17.3	18.9	18.0	...
Philippines	0.5	0.7	1.0	0.9	0.7	0.8	0.8	0.6	1.0	0.8	0.8	1.0	...	...
Singapore	5.5	9.4	9.2	4.7	4.8	4.5	6.1	6.1	6.9	7.4	6.9	7.0	7.1	...
Malaysia		...	1.4	1.6	1.4	1.6	1.3	1.2	1.5	1.8	2.1	1.9	...	...
Thailand	0.2	0.2	0.3	0.4	0.5	0.4	0.7	0.9	1.1	1.1	1.0	1.2	1.1	...
India	25.7	23.7	19.8	14.0	13.2	11.0	11.4	9.0	6.8	6.5	6.1	6.7	...	...
Pakistan	...	...	3.2	5.8	5.1	4.5	3.9	2.7	2.6	1.9	1.8	1.6	1.4	...
Iran	...	...	1.0	1.2	1.1	1.0	1.4	1.3	0.9	0.8	0.6	0.6	...	...
Lebanon	...	...	0.3	1.2	1.3	1.2	1.7	1.6	1.5	...	...	...	...	...
Egypt	1.4	2.7	2.5	2.5	2.7	2.2	2.3	1.7	1.2	1.3	1.5	0.9	0.9	...
Mexico	2.6	3.5	4.6	3.6	4.3	4.1	5.2	4.4	4.8	3.6	2.9	2.4	...	...
Columbia	0.4	0.3	0.5	0.9	0.8	0.6	0.9	1.2	1.3	1.3	0.9	0.9	...	...
Brazil	1.1	1.1	1.2	2.4	3.0	3.9	4.7	5.1	5.3	6.2	6.8	5.6	6.1	...
Argentinia	...	...	2.3	2.7	2.9	2.6	2.8	2.7	3.2	3.1	2.2	2.3	...	...

See Table 5 for sources

Table 8

Developing countries' share in the world exports of selected commodity classes: 1955, 1963, 1968-1978

World exports of each class = 100

	1955	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
All commodities	25.5	20.6	18.4	18.2	17.9	18.0	18.0	19.2	26.5	24.0	25.6	25.7	23.4
All commodities excluding fuels	21.5	16.1	13.3	13.4	13.3	12.4	12.5	13.1	13.5	12.3	13.4	14.1	...
Primary products	43.8	39.9	39.7	39.8	38.7	39.5	39.3	39.4	51.8	49.2	51.2	51.4	47.9
Fuels	57.5	60.3	65.3	65.3	63.1	65.9	66.6	68.5	78.3	73.7	75.0	73.8	...
Primary products excluding fuels	40.2	34.0	31.4	31.5	30.6	28.7	28.4	27.4	29.0	27.6	28.9	30.8	...
Food	42.6	35.4	32.8	32.0	29.3	29.2	26.8	25.5	27.5	27.1	28.7	31.4	...
Cereals, feeding stuffs, oilseeds and fats	34.6	27.2	24.1	...	20.7	...	18.6	17.3	18.2	16.5	...	...	...
Livestock products	10.3	12.6	11.1	...	12.2	...	13.5	11.3	8.6	6.2	...	...	...
Other food excluding fish	69.0	61.0	59.2	...	54.9	...	49.9	50.5	54.4	56.0	...	...	...
Raw materials	40.1	33.2	29.8	31.0	24.4	27.7	21.8	22.2	22.7	20.7	21.9	22.4	...
Wood and pulp	12.6	14.7	16.6	...	14.2	...	13.3	16.6	13.6	12.9	...	...	...
Textile fibres	38.1	35.2	32.8	...	34.5	...	32.6	26.5	29.3	27.3	...	...	...
Ores and other minerals	32.8	32.2	29.4	30.7	27.0	31.3	31.5	27.6	31.2	29.2	27.1	27.5	...
Non-ferrous metals	34.0	30.3	30.4	31.4	29.1	25.3	24.3	25.5	27.1	22.0	24.3	22.8	...
Manufactured products	4.4	4.3	4.4	5.0	5.4	5.3	6.0	6.9	6.9	6.6	7.7	8.0	8.5
Iron and steel	0.9	1.9	2.7	2.7	3.4	2.8	3.4	3.3	3.4	2.7	3.9	4.0	...
Chemicals	5.1	4.0	3.9	...	4.1	...	4.7	4.9	5.8	5.8	5.5	/ 5.4	...
Consumer goods	3.4	6.7	6.3	...	6.0	...	5.8	6.4	6.3	6.3	...	...	...
Plastics	-	-	1.4	...	1.5	...	1.6	1.5	1.9	1.9	...	...	...
Wood semi-manufactures and paper	1.6	3.4	5.6	...	7.1	...	6.6	9.5	5.5	5.9	6.8	} 11.1	...
Other semi-manufactures	11.2	11.2	9.4	...	11.2	...	12.2	12.9	11.8	11.1	13.0		...
Engineering products	0.9	1.1	1.3	...	1.8	...	2.4	3.1	3.6	3.4	3.9	4.3	...
Agricultural and industrial machinery	0.8	0.6	0.8	...	0.9	...	1.1	1.3	1.7	1.6	} 1.5	} 1.6	...
Machine parts n.e.s.	0.8	0.8	0.7	...	1.2	...	1.4	1.8	1.8	1.6			...
Office and telecommunications equipment	1.2	0.3	3.2	...	2.9	...	5.7	7.4	8.0	8.3	9.0	9.1	...
Road motor vehicles	0.3	0.4	0.3	0.3	0.5	0.3	0.7	0.9	1.2	1.2	1.2	1.1	...
Other transport equipment	0.3	0.6	0.6	...	1.2	...	1.4	1.5	2.1	2.4	} 4.1	} 4.9	...
Power-generating machinery	0.6	1.1	0.9	...	1.9	...	1.9	2.2	2.7	3.1			...
Other engineering products, scientific instruments	2.4	2.6	2.6	...	3.3	...	3.4	4.6	5.7	4.3			...
Household appliances	0.8	3.6	3.9	...	5.4	...	8.2	10.8	11.2	11.4	13.2	14.4	...
Textiles	14.0	15.6	16.0	} 16.9	16.2	} 18.5	16.9	18.8	18.7	18.1	20.4	/18.1	...
Clothing	10.0	13.6	20.0		22.2		27.2	30.3	31.9	32.1	38.4	36.9	...
Other consumer goods	10.3	9.1	8.5	...	13.1	...	10.7	13.1	13.0	13.0	15.1	15.4	...

Table 8 (continued)

Sources: GATT, Networks of World Trade by Areas and Commodity Classes, 1955-1976, Geneva 1978; GATT, International Trade, 1971, 1974/75, 1977/78, 1978/79 editions; author's calculations

Exports from the OPEC countries for a number of years are only included in the following commodity classes: all commodities (1970, 1972ff), all commodities excluding fuels (ditto), primary products (1977f; 1970, 1972-1976 excluding OPEC exports of non-ferrous metals), primary products excluding fuels (ditto), fuels (1970, 1972ff), manufactured products (1977f; 1970, 1972-1976 including OPEC exports of non-ferrous metals), chemicals (1970, 1972-1976), textiles (ditto)

SITC Numbers of Commodity Classes Used

All commodities	0-9
All commodities excluding fuels	0-9 excluding 3
Primary products	0-4,68
Fuels	3
Primary products excluding fuels	0-4,68 excluding 3
Food	0,1,4,22
Cereals,feeding stuffs,oilseeds and fats	04,08,22,4
Livestock products	00,01,02
Other food excluding fish	05,06,07
Raw materials	2 excluding 22,27,28
Wood and pulp	24,25
Textile fibres	26
Ores and other minerals	27,28
Non-ferrous metals	68
Manufactured products	5-8 excluding 68
Iron and steel	67
Chemicals	5,862,863
Consumer goods	54,55,862,863
Plastics	58
Wood semi-manufactures and paper	631,641
Other semi-manufactures	61,62,63,64,66 excluding 631,641,665,666
Engineering products	7,69,86,891.1 excluding 862,863
Agricultural and industrial machinery	712,715,717,718
Machine parts n.e.s.	719 excluding 719.4
Office and telecommunications equipment	714,724.9,729.3
Road motor vehicles	732
Other transport equipment	731,733,734,735
Power-generating machinery	711,722
Other engineering products and scientific instruments	69,723,726,729,861 excluding 696,697,729.3,861.4,861.6
Household appliances	696,697,725,864,719.4,724.1,724.2,861.4,861.6,891.1
Textiles	65
Clothing	84
Other consumer goods	8,665,666 excluding 84,86,891.1

Table 9

Share of imports from developing countries in total OECD imports, selected commodity classes: 1968-1978

OECD imports of each class = 100

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
All commodities	21.3	20.5	19.9	20.1	19.5	20.5	28.3	27.0	28.2	28.7	...
All commodities excluding fuels	15.7	15.2	14.6	13.7	13.3	14.2	14.7	13.7	14.7	15.7	...
Primary products	40.8	40.7	39.8	41.0	39.9	39.5	50.9	49.9	51.5	52.7	...
Fuels	66.9	67.6	65.3	67.7	68.4	67.6	76.3	73.6	74.8	74.6	...
Primary products excluding fuels	32.5	32.5	31.6	30.3	28.6	28.2	29.2	28.2	29.3	32.1	...
Manufactured products	4.7	4.9	4.9	5.8	6.0	7.1	7.3	6.9	8.2	8.5	...

Source: OECD, Statistics of Foreign Trade, Series B, Trade by Commodities: Country Summaries, various years; author's calculations

SITC Numbers of Commodity Classes Used

All commodities 0-9
All commodities excluding fuels ..... 0-9 excluding 3

Primary products 0-4,68
Fuels 3
Primary products excluding fuels ..... 0-4,68 excluding 3

Manufactured products ..... 5-8 excluding 68

Table 10

Share of selected commodity classes in the exports of selected country groupings: 1953, 1958, 1963, 1968, 1973, 1978(1977)

Exports SITC 0-9 for each country grouping = 100

Country grouping / Commodity group (SITC)	World						Industrial countries						Developing countries				DCs excl. OPEC		OPEC		Centrally planned economies					
	53	58	63	68	73	77	53	58	63	68	73	78	53	58	63	68	73	77	73	77	53+	58	63	68&	73&	77&
All commodities (0-9)	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Primary products (0-4)	50	46	42	35	35	39	35	32	30	24	24	22	89	88	84	79	59	61	98	99	73	45	39	34	31	37
Manufactured products (5-8)	49	52	56	63	64	60	63	66	68	74	74	77	11	11	15	21	41	39	2	1	26	54	60	59	60	56
Food (0,1)	22	19	18	14	14	11	16	15	15	12	12	10	37	33	30	25	29	29	3	2	34	16	14	13	11	9
Raw materials (2,4)	18	16	14	11	10	8	13	12	11	9	9	7	29	25	24	19	22	16	6	2	27	17	13	12	10	9
Fuels (3)	10	11	10	10	11	20	5	5	4	3	4	5	23	30	30	34	8	16	89	95	13	11	11	9	10	19
Chemicals (5)	5	5	6	7	7	7	6	7	8	9	9	10	1	1	1	1	3	3	1	0	4	5	5	5	5	5
Engineering products (7)	27	21	24	28	29	28	24	28	30	34	35	37	0	1	1	2	7	9	0	0	4	23	26	29	30	29
Other manuf.products (6,8)	18	26	27	28	28	25	33	31	30	32	31	30	9	10	13	18	31	28	1	1	18	26	29	26	25	22

Source: UN, Monthly Bulletin of Statistics, 2/1960, 3/1964, 3/1969, 9/1974, 5/1979, 2/1980; author's calculations

+ Excludes trade between the centrally planned economies
& Non-classified exports from the USSR are included under SITC 9

Table 11

Share of selected commodity classes in the exports of developing countries: 1955, 1963, 1968-1978

Exports SITC 0-9 of the developing countries = 100

	1955	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
All commodities	100	100	100	100	100	100	100	100	100	100	100	100	100
All commodities excluding fuels	75.2	70.2	65.5	67.2	67.6	61.6	62.5	60.6	40.6	41.3	41.9	44.4	...
Primary products	91.9	87.5	85.7	82.2	79.9	79.1	77.7	77.4	85.0	83.7	82.1	80.7	76.4
Fuels	24.8	29.8	34.5	32.8	32.4	38.4	37.5	39.4	59.4	58.7	58.1	55.6	...
Primary products excluding fuels	67.1	57.8	51.1	49.3	47.5	40.6	40.2	38.0	25.6	25.0	24.0	25.1	...
Food	36.6	33.4	28.2	26.1	23.8	23.2	21.6	20.0	13.4	14.9	14.0	15.4	...
Cereals, feeding stuffs, oilseeds and fats	8.8	8.6	6.7	...	5.4	...	4.5	2.6	3.6	3.4	...	...	...
Livestock products	1.5	2.1	1.8	...	1.9	...	2.4	1.8	0.7	0.6	...	...	...
Other food excluding fish	22.9	18.8	15.9	...	14.1	...	11.9	10.6	7.5	9.5	...	...	...
Raw materials	20.5	14.8	11.0	10.9	8.1	8.4	6.7	7.0	4.1	3.4	3.7	3.6	...
Wood and pulp	1.6	1.8	2.2	...	1.9	...	1.5	2.0	1.0	0.9	...	...	...
Textile fibres	8.5	6.8	4.4	...	3.8	...	3.4	2.9	1.7	1.3	...	...	...
Ores and other minerals	4.8	5.1	5.2	5.4	5.0	4.8	4.6	3.7	3.0	3.0	2.4	2.2	...
Non-ferrous metals	5.2	4.5	6.6	7.0	6.4	4.2	3.9	4.0	3.1	1.9	2.1	1.9	...
Manufactured products	7.7	10.9	14.2	16.6	18.5	18.3	20.7	21.8	14.3	15.7	17.1	18.0	21.9
Iron and steel	0.2	0.4	0.7	0.7	1.0	0.8	0.9	0.9	0.7	0.6	0.7	0.7	...
Chemicals	1.1	1.2	1.6	...	1.7	...	1.9	1.9	1.7	1.7	1.6 / 1.5		...
Consumer goods	0.2	0.5	0.6	...	0.6	...	0.6	0.6	0.3	0.4	...	...	...
Plastics	-	-	0.1	...	0.1	...	0.1	0.1	0.1	0.1	...	...	...
Wood semi-manufactures and paper	0.1	0.3	0.6	...	0.8	...	0.7	0.9	0.4	0.4	0.4	2.0	...
Other semi-manufactures	1.2	1.5	1.6	...	1.9	...	2.2	2.2	1.2	1.3	1.5		...
Engineering products	0.7	1.4	2.2	...	3.4	...	4.6	5.4	3.9	4.5	4.8	5.4	...
Agricultural and industrial machinery	0.1	0.2	0.2	...	0.3	...	0.3	0.3	0.3	0.3	0.5	0.6	...
Machine parts n.e.s.	0.1	0.2	0.2	...	0.3	...	0.4	0.4	0.3	0.3			...
Office and telecommunications equipment	0.0	0.0	0.4	...	0.5	...	1.0	1.2	0.8	0.9	1.0	1.0	...
Road motor vehicles	0.0	0.1	0.1	0.1	0.2	0.1	0.3	0.3	0.3	0.3	0.3	0.3	...
Other transport equipment	0.0	0.1	0.1	...	0.2	...	0.3	0.3	0.2	0.4	1.7	2.1	...
Power-generating machinery	0.0	0.1	0.1	...	0.3	...	0.3	0.3	0.3	0.4			...
Other engineering products, scientific instruments	0.3	0.5	0.6	...	0.8	...	0.8	1.0	0.8	0.8			...
Household appliances	0.0	0.3	0.5	...	0.7	...	1.2	1.5	1.0	1.1	1.3	1.5	...
Textiles	2.8	3.5	3.6	5.7	3.6	6.4	3.8	4.0	2.4	2.3	2.3 / 2.1		...
Clothing	0.3	0.9	2.0		2.5		3.6	3.5	2.2	2.6	3.1	3.0	...
Other consumer goods	1.3	1.6	1.9	...	3.2	...	2.6	2.9	1.7	2.1	2.3	2.5	...

See Table 8 for sources and notes

Table 12

Share of selected commodity classes in the exports of manufactured products from the developing countries: 1955, 1963, 1968-1978

Exports SITC 5-8 excl. 68 from the developing countries = 100

	1955	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Manufactured products	100	100	100	100	100	100	100	100	100	100	100	100	100
Iron and steel	2.2	4.0	5.0	4.5	5.6	4.3	4.4	3.9	5.0	3.8	3.6	3.7	...
Chemicals	13.7	11.2	11.1	...	9.0	...	9.2	8.5	12.1	11.1	9.0 /	8.5	...
Consumer goods	2.2	4.3	4.2	...	3.2	...	2.7	2.5	2.4	2.5	...	...	...
Plastics	-	-	0.6	...	0.6	...	0.6	0.5	0.8	0.6	...	...	...
Wood semi-manufactures and paper	1.6	2.9	4.2	...	4.1	...	3.2	4.0	2.4	2.2	2.3	11.2	...
Other semi-manufactures	15.9	13.5	11.3	...	10.2	...	10.7	10.1	8.3	8.4	8.7		...
Engineering products	9.3	13.3	15.6	...	18.2	...	22.3	24.5	26.9	28.4	28.5	30.0	...
Agricultural and industrial machinery	1.6	1.4	1.6	...	1.4	...	1.4	1.4	1.8	2.0	3.1	3.1	...
Machine parts n.e.s.	1.1	1.4	1.3	...	1.8	...	1.9	2.0	2.0	2.1			...
Office and telecommunications equipment	0.5	0.3	2.9	...	2.6	...	4.6	5.3	5.3	6.0	5.9	5.6	...
Road motor vehicles	0.5	0.9	0.6	0.6	1.1	0.7	1.5	1.6	1.9	2.1	1.8	1.7	...
Other transport equipment	0.5	0.9	0.8	...	1.3	...	1.4	1.3	1.7	2.3			...
Power-generating machinery	0.5	1.2	1.0	...	1.6	...	1.6	1.5	1.8	2.3	9.9	11.5	...
Other engineering products, scientific instruments	3.8	4.3	4.0	...	4.4	...	4.0	4.6	5.9	4.9			...
Household appliances	0.5	2.9	3.4	...	4.0	...	6.0	6.8	6.6	6.7	7.5	8.1	...
Textiles	36.3	31.7	25.4	34.5	19.4	35.0	18.6	18.2	16.5	14.7	14.2	/11.8	...
Clothing	4.4	8.6	14.2		13.3		17.2	15.9	15.0	16.4	18.2	16.7	...
Other consumer goods	17.0	14.7	13.2	...	17.3	...	12.7	13.2	11.9	13.2	13.8	13.6	...

See Table 8 for sources and notes

Table 13

Regional matrix of world trade: exports of selected regions of origin to selected regions of destination as percentage of total exports of the respective region of origin: 1948, 1953, 1958, 1963, 1968, 1973, 1978

Total exports SITC 0-9 of each region of origin = 100

Region of origin / Region of destination	World	Industrial countries							Developing countries			DCs excl. OPEC				OPEC				Centrally planned economies						
		48	53	58	63	68	73	78	48	53	58	63	68	73	78	63	68	73	78	48	53	58	63	68	73	78
World	100	64	61	63	66	69	71	67	29	24	25	18	16	15	16	3	3	4	7	6	9	11	12	11	10	9
Industrial countries	100	64	63	67	72	76	77	71	31	27	29	18	16	14	15	4	4	4	9	4	2	3	4	4	5	5
Dev.countries excl. OPEC	100	67	73	72	71	71	71	68	29	24	23	18	19	18	19	2	2	4	7	3	2	3	7	7	7	6
OPEC	100				76	80	77	76				22	16	19	21	1	1	1	1				1	1	2	2
Centrally planned econ.	100	41	15	18	20	24	27	27	12	5	10	14	14	13	13	1	2	2	4	44	78	71	65	61	57	56
Industrial countries																										
USA+	100	56	44	58	58	68	67	61	40	30	41	27	26	24	24	5	5	5	12	3	0	1	1	1	4	3
Japan	100	38	32	42	49	53	52	47	58	68	55	41	38	35	31	6	5	7	15	3	0	3	5	4	5	7
EEC(Nine)&	100	61	66	67	77	79	82	77	36	31	29	15	12	9	10	4	4	4	9	3	2	3	4	5	4	4

Sources: UN, Yearbook of International Trade Statistics 1962, New York 1964; UN, Statistical Yearbook, 1972, 1974, 1977 editions; UN, Monthly Bulletin of Statistics, 6/1979; author's calculations

Excludes trade between Asian centrally planned economies
Excludes trade between East and West Germany

+ Special category exports from the USA (share of US exports: 1953 = 26%, 1963 = 9%) are not completely allocated to regions of destination for all years

& 1948, 1953, 1958: EEC(Six) + UK

Table 14

Regional matrix of world trade: exports of selected regions of origin to selected regions of destination as percentage of world exports: 1948, 1953, 1958, 1963, 1969, 1973, 1978(1977)

Total exports (SITC 0-9) — World exports SITC 0-9 = 100

Origin \ Dest.	World							Industrial countries							Dev. countries				DCs excl.OPEC			OPEC			Centrally planned economies						
	48	53	58	63	69	73	78	48	53	58	63	69	73	78	48	53	58	63	69	73	78	69	73	78	48	53	58	63	69	73	78
World	100	100	100	100	100	100	100	64	61	62	67	70	71	67	29	24	25	21	17	15	16	3	4	7	6	9	11	12	10	10	9
IC	64	65	66	67	71	71	67	41	41	43	50	55	54	48	20	17	18	15	11	10	10	3	3	6	3	1	2	2	3	3	3
DCexcl	30	26	23	20	12	12	12	20	19	17	15	9	8	8	9	6	5	4	2	2	2	0	0	1	1	0	1	1	1	1	1
OPEC					6	7	11					5	6	9					1	1	2	0	0	0					0	0	0
CPE	6	10	11	12	11	10	10	3	1	2	2	3	3	3	1	0	1	2	1	1	1	0	0	0	3	7	8	8	7	6	5

Exports of primary products (SITC 0-4) — World exports SITC 0-4 = 100

Origin \ Dest.	World							Industrial countries							Dev. countries				DCs excl.OPEC			OPEC			Centrally planned economies						
	48	53+	58	63	69	73	77	48	53+	58	63	69	73	77	48	53+	58	63	69	73	77	69	73	77	48	53+	58	63	69	73	77
World	100	100	100	100	100	100	100	..	77	71	72	75	74	72	..	19	18	16	14	14	15	2	2	3	..	2	10	11	9	9	8
IC	..	50	45	48	48	50	37	..	39	36	38	40	40	29	..	9	8	7	6	6	4	1	1	2	..	1	1	2	1	3	1
DCexcl	..	47	44	41	24	20	19	..	34	32	30	17	15	13	..	10	9	8	4	3	3	0	0	1	..	1	2	2	2	2	2
OPEC					16	20	34					13	16	26					3	4	7	0	0	0					0	0	1
CPE	..	3	11	11	11	9	9	..	2	3	4	4	4	4	..	1	1	1	1	1	1	0	0	0	..	-	7	6	5	4	4

Exports of manufactured products (SITC 5-8) — World exports SITC 5-8 = 100

Origin \ Dest.	World							Industrial countries							Dev. countries				DCs excl.OPEC			OPEC			Centrally planned economies						
	48	53+	58	63	69	73	77	48	53+	58	63	69	73	77	48	53+	58	63	69	73	77	69	73	77	48	53+	58	63	69	73	77
World	100	100	100	100	100	100	100	..	56	55	62	69	70	64	..	31	30	24	16	15	15	4	4	10	..	2	12	12	11	10	10
IC	..	93	83	81	83	83	83	..	52	50	57	63	63	57	..	28	27	20	14	12	13	3	4	9	..	2	3	3	3	4	4
DCexcl	..	6	5	6	6	7	8	..	4	3	4	4	5	5	..	2	2	2	1	2	1	0	0	1	..	0	0	0	0	0	0
OPEC					0	0	0					0	0	0					0	0	0	0	0	0					0	0	0
CPE	..	1	12	13	10	9	9	..	1	1	1	2	2	2	..	0	1	2	1	1	2	0	0	0	..	-	9	10	7	6	6

Sources: UN, Yearbook of International Trade Statistics 1962, New York 1964; UN, Monthly Bulletin of Statistics, 2/1960, 3/1964, 3/1969, 7/1975, 5/1979, 6/1979; author's calculations

Excludes trade between Asian (+ and European) centrally planned economies
Excludes trade between East and West Germany
Special category exports from the USA (share of world exports: 1953 = 5%, 1958 = 2%) are not completely allocated to regions of destination for all years

Table 15

Regional matrix of world trade: exports of selected regions of origin to selected regions of destination as percentage of world exports: 1978(1977)

Total exports (SITC 0-9) 1978 — World exports SITC 0-9 = 100

Region of origin \ Region of destination	World	IC	DCexcl	OPEC	CPE	Industrial countries USA	Japan	EEC(9)	Other
World	100	67	16	7	9	13	5	34	15
Industrial countries	67	48	10	6	3	7	2	26	12
Developing countries excl. OPEC	12	8	2	1	1	3	1	3	1
OPEC	11	9	2	0	0	2	2	3	1
Centrally planned economies	10	3	1	0	5	0	0	1	1
Industrial countries									
USA	11	7	3	1	0	.	1	2	3
Japan	7	4	2	1	0	2	.	1	1
EEC(Nine)	35	27	3	3	2	2	0	18	6
(including W.Germany)	(11)	(8)	(2)	(1)	(1)	(1)	(0)	(5)	(2)
Other	14	10	1	1	1	3	1	5	2

Exports of primary products (SITC 0-4) 1977 — World exports SITC 0-4 = 100

Region of origin \ Region of destination	World	IC	DCexcl	OPEC	CPE	Industrial countries USA	Japan	EEC(9)	Other
World	100	72	15	3	8	15	11	35	11
Industrial countries	37	29	4	2	1	4	3	17	5
Developing countries excl. OPEC	19	13	3	1	2	4	2	5	2
OPEC	34	26	7	0	1	7	5	11	3
Centrally planned economies	9	4	1	0	4	0	1	2	1
Industrial countries									
USA	8	5	2	0	0	.	2	2	2
Japan	0	0	0	0	0	0	.	0	0
EEC(Nine)	17	14	1	1	0	1	0	11	2
(including W.Germany)	(3)	(3)	(0)	(0)	(0)	(0)	(0)	(2)	(0)
Other	12	9	1	0	1	3	2	4	1

Exports of manufactured products (SITC 5-8) 1977 — World exports SITC 5-8 = 100

Region of origin \ Region of destination	World	IC	DCexcl	OPEC	CPE	Industrial countries USA	Japan	EEC(9)	Other
World	100	64	15	10	10	12	2	32	18
Industrial countries	83	57	13	9	4	9	1	29	17
Developing countries excl. OPEC	8	5	2	1	0	2	1	2	1
OPEC	0	0	0	0	0	0	0	0	0
Centrally planned economies	9	2	1	0	6	0	0	1	1
Industrial countries									
USA	12	7	3	2	0	.	1	2	4
Japan	12	6	4	2	1	3	.	1	1
EEC(Nine)	45	33	5	4	2	3	0	21	9
(including W.Germany)	(19)	(14)	(2)	(2)	(1)	(1)	(0)	(8)	(4)
Other	15	11	2	1	1	4	0	5	2

Sources: UN, Monthly Bulletin of Statistics, 2/1979, 5/1979, 6/1979; OECD, Statistics of Foreign Trade, Annual: Tables by Reporting Countries (Series B), 2/1978; author's calculations

Excludes trade between Asian centrally planned economies
Excludes trade between East and West Germany

Table 16

Intra-trade of economic groupings of industrial countries as percentage of world exports and total group exports: 1960, 1970-1977

in per cent

	Share of intra-trade in:																		
	World exports									Total group exports									
	1960	1970	1971	1972	1973	1974	1975	1976	1977	1960	1970	1971	1972	1973	1974	1975	1976	1977
EEC (Six)	8.0	13.9	14.4	14.9	.	.	.	.	.	34.6	48.9	49.3	49.5	.	.	.	.	.
EFTA[a]	2.3	3.0	3.1	3.1	.	.	.	.	.	15.7	21.8	22.1	23.2	.	.	.	.	.
EEC (Nine)	.	.	.	.	19.4	16.7	16.7	17.1	17.1	.	.	.	.	52.3	50.4	49.4	51.8	50.6
Trade in manufactures between EEC (Nine) and the remainder of EFTA	.	.	.	.	6.1	5.3	5.2	5.1	5.3	.	.	.	.	14.0	13.4	12.9	13.2	13.3
Intra-trade in manufactures of the remainder of EFTA	.	.	.	.	1.1	1.0	1.0	0.9	0.9	.	.	.	.	15.9	16.4	16.1	14.9	14.9
USA-Canada (preferential)[b]	-	1.6	1.9	1.9	1.7	1.2	1.3	1.5	1.5	-	8.7	10.6	11.1	9.9	7.7	8.0		
COMECON	6.3	5.9	5.8	5.9	5.2	4.0	5.1	4.7	4.9	62.3	59.4	59.2	60.5	56.5	50.8	57.4	55.4	55.2
TOTAL	16.6	24.4	25.2	25.8	33.5	28.2	29.3	29.3	29.7	34.6	34.5	35.7	36.9	48.2	45.2	45.2	46.6	47.1

Source: UNCTAD, Handbook of International Trade and Development Statistics 1979, New York 1979

[a] Excluding goods shown in annex D of the Stockholm convention
[b] Trade under the 1965 United States-Canada Automotive Products Agreement

Table 17

Export ratios (exports as a percentage of GDP) of selected countries and country groupings: 1948, 1953, 1958, 1963, 1968-1978

in per cent

	1948	1953	1958	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Market economies	10	10	11	10	10	11	11	11	12	13	17	16	17	17	...
Industrial countries	9	9	10	9	10	10	11	11	11	13	15	14	15	15	15+
Developing countries	19	17	16	14	14	14	14	14	16	19	27	23	24	24	...
Developing countries excluding OPEC	...	...	14	12	11	12	12	11	12	14	16	14	...	...	...
OPEC	...	...	29	28	28	27	29	30	32	36	61	47	...	...	...
Industrial countries															
USA	5	5	4	4	4	4	4	4	4	5	7	7	7	6	7
Japan	3	7	10	8	9	10	10	10	10	9	12	11	12	12	10
EEC (Nine)	11	14	17	15	16	17	18	18	18	20	24	22	23	24	23
(including W.Germany)	(3)	(13)	(19)	(15)	(18)	(19)	(18)	(18)	(18)	(19)	(23)	(22)	(23)	(23)	(22)
Developing countries															
Brazil	27	23	13	6	7	7	6	6	7	8	8	7	7	7	...
India	7	5	4	4	4	4	4	4	4	4	5	5	6	...	...
South Korea	1	2	1	2	8	9	10	12	17	26	27	25	28	29	...
Taiwan	...	9	9	15	18	21	27	32	39	44	41	36	47	47	...
Hong Kong	...	...	71	62	83	86	82	83	81	85	86	82	92	90	...
Singapore	...	...	155	125	87	93	82	78	75	88	113	95	112	126	...

Sources: UN, The Growth of World Industry, 1938-1961: International Analyses and Tables, New York 1965; UN, Yearbook of National Accounts Statistics, Volume II(III): International Tables, 1969, 1972ff editions; UN, Yearbook of International Trade Statistics 1977, New York 1978; UN, Statistical Yearbook 1978, New York 1979; OECD, Main Economic Indicators 12/1979; OECD, Statistics of Foreign Trade, Monthly Bulletin (Series A) 12/1979; Statistical Yearbook of the Republic of China 1978; author's calculations

+ OECD

Table 18

Export ratios of manufactured products (exports of manufactured products as percentage of value added of manufacturing industry) for selected countries and country groupings: 1953, 1958, 1963, 1968-1978

in per cent

	1953	1958	1963	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Market economies	15	20	19	...	...	26	...	...	...	...	36	...	...	...
Industrial countries	15	21	20	...	...	27	...	...	...	...	39	...	...	...
Developing countries	12	11	13	...	...	19	...	...	...	...	21	...	...	...
Industrial countries														
USA	...	...	9	10	11	12	12	11	14	19	21	19	18	...
Japan	19	23	21	25	25	26	29	28	24	33	37	38	...	...
EEC(Nine)	...	38+	31+	...	...	42	...	...	...	...	54	...	...	...
(including W.Germany)	(...)	(...)	(35)	(39)	(42)	(40)	(41)	(40)	(42)	(55)	(51)	(55)	(53)	(...)
Developing countries														
Brazil	...	...	1	3	3	4	4	7	8	7	7	7	8	...
India	...	...	...	16	14	15	15	15	16	17	18	23	...	...
South Korea	...	...	7	28	32	35	45	60	84	81	78	89	91	...
Taiwan	...	...	23	38	46	61	72	84	95	93	84	109	111	...
Hong Kong	...	...	...	...	...	271	267	261	280	329	333	...	...	...
Singapore	...	...	...	130	101	114	124	135	161	181	166	199	216	...

Sources: UN, Yearbook of National Accounts Statistics, various years; UN, Yearbook of International Trade Statistics, various years; UN, Monthly Bulletin of Statistics, various years; UN, Statistical Yearbook, various years; UNCTAD, Handbook of International Trade and Development Statistics, various years; Statistical Yearbook of the Republic of China 1978; author's calculations

+ EEC(Six)

Table 19

Average annual rates of growth of employment in manufacturing industry in the market economies: 1948-1953, 1953-1958, 1958-1963, 1963-1968, 1968-1973, 1973-1977

in per cent

	1948-1953	1953-1958	1958-1963	1963-1968	1968-1973	1973-1977
Market economies	2.2	2.5	3.1	2.0	3.0	0.9+
Industrial countries	2.6	1.4	2.6	1.5	1.0	-1.0
Developing countries	1.6	4.8	4.3	3.3	5.8	4.4+

Source: UN, Statistical Yearbook, 1968, 1970, 1978 editions; author's calculations

+ 1973-1976