

KIZITO MICHAEL GEORGE

# FROM ORGANIZED TO DISORGANIZED CAPITALISM

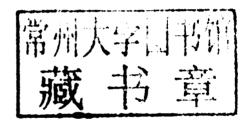
ECONOMIC RESTRUCTURING, SOCIAL JUSTICE AND NATION STATES IN SUB-SAHARAN AFRICA



#### **KIZITO MICHAEL GEORGE**

### FROM ORGANIZED TO DISORGANIZED CAPITALISM

ECONOMIC RESTRUCTURING, SOCIAL
JUSTICE AND NATION STATES IN SUBSAHARAN AFRICA



LAP LAMBERT Academic Publishing

#### Impressum/Imprint (nur für Deutschland/ only for Germany)

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über http://dnb.d-nb.de abrufbar.

Alle in diesem Buch genannten Marken und Produktnamen unterliegen warenzeichen-, markenoder patentrechtlichem Schutz bzw. sind Warenzeichen oder eingetragene Warenzeichen der jeweiligen Inhaber. Die Wiedergabe von Marken, Produktnamen, Gebrauchsnamen, Handelsnamen, Warenbezeichnungen u.s.w. in diesem Werk berechtigt auch ohne besondere Kennzeichnung nicht zu der Annahme, dass solche Namen im Sinne der Warenzeichen- und Markenschutzgesetzgebung als frei zu betrachten wären und daher von jedermann benutzt werden dürften.

Coverbild: www.ingimage.com

Verlag: LAP LAMBERT Academic Publishing GmbH & Co. KG Dudweiler Landstr. 99, 66123 Saarbrücken, Deutschland Telefon +49 681 3720-310, Telefax +49 681 3720-3109

Email: info@lap-publishing.com

Herstellung in Deutschland: Schaltungsdienst Lange o.H.G., Berlin Books on Demand GmbH, Norderstedt Reha GmbH, Saarbrücken Amazon Distribution GmbH, Leipzig

ISBN: 978-3-8433-5689-3

#### Imprint (only for USA, GB)

Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at http://dnb.d-nb.de.

Any brand names and product names mentioned in this book are subject to trademark, brand or patent protection and are trademarks or registered trademarks of their respective holders. The use of brand names, product names, common names, trade names, product descriptions etc. even without a particular marking in this works is in no way to be construed to mean that such names may be regarded as unrestricted in respect of trademark and brand protection legislation and could thus be used by anyone.

Cover image: www.ingimage.com

Publisher: LAP LAMBERT Academic Publishing GmbH & Co. KG

Dudweiler Landstr. 99, 66123 Saarbrücken, Germany Phone +49 681 3720-310, Fax +49 681 3720-3109

Email: info@lap-publishing.com

Printed in the U.S.A.

Printed in the U.K. by (see last page)

ISBN: 978-3-8433-5689-3

Copyright © 2010 by the author and LAP LAMBERT Academic Publishing GmbH & Co. KG

and licensors

All rights reserved. Saarbrücken 2010

## FROM ORGANIZED TO DISORGANIZED CAPITALISM: ECONOMIC RESTRUCTURING, SOCIAL JUSTICE AND NATION STATES IN SUB-SAHARAN AFRICA

Kizito Michael George

#### TABLE OF CONTENTS

CHAPTER ONE	5
FROM LIBERAL TO NEO-LIBERAL CAPITALISM: SITUATING THE	
EMERGENCY OF NATION STATES IN SUB-SAHARAN AFRICA AND	
ELSEWHERE	5
Introduction	6
Origins of the Concept and Phenomenon of the Nation-state	9
Meaning of Nation-State	
Ancient Nations	
Advent of the Modern Nation-State	
Experiences and Roots in Medieval Europe	12
Independence of the Modern Nation-State in Europe	16
Experiences Elsewhere: The Case of Africa	17
Building the Modern Nation-State: From Mercantilism to Liberalism unto Nec	
liberalism	
CHAPTER TWO	21
NEO-LIBERALISM: A CONCEPTUAL ANALYSIS AND DISCOURSE	
SITUATION	21
Introduction	
Neo-liberalism as a Negation of Liberalism and Human Rights	
Neo-liberalism and Regimes of Accumulation	
Salient Features of the Three Regimes of Accumulation	
Liberal capitalism	
Organized capitalism	
Disorganized Capitalism	
Economic Crisis and Neo-liberal Restructuring	
Neo-liberalism - A Synchronic Perspective	
Neo-liberalism - A Diachronic Perspective	
CHAPTER THREE	36
ACCUMULATION BY DISPOSSESSION AND PRIMITIVE	
ACCUMULATION	
Accumulation by Dispossession: Five "Case Studies"	
Neo-liberalism in Perspective: What Has Been Achieved?	
CHAPTER FOUR	
THE DEMISE OF 'ANTI-CAPITALISM' AND SUBSUMPTION OF THE	
AFRICAN STATES IN THE NEO-LIBERAL 'EMPIRE'	56
Situating the Polarities between Economic and Political Globalisation on	
Inequality and State Behaviour	57

	The State as a Wielder of Power	. 58
	Sovereignty and Reterritorialization	. 59
	Anti-Capitalism: The Demise of the Socialist Movement in Sub-Saharan Africa	ca
		. 62
	Globalization and International Institutions	. 64
	The Specter of Economic Globalization in the African State Milieu	
	The Impact of Conflictual Interactions Between Political and Economic	
	Global Actors on the African State	. 67
	Economic Globalization and Political Opportunism in Africa	69
	'Ethicizing ' Globalization	.70
	The African State milieu and the Glocalisation Myth	. 72
	Homogenising or Heterogenizing Cultural Relations	
	The African Renaissance and the Globalization Onslaught	74
	Can Sub-Saharan Africa Return to old Social Structures	74
	Economic Liberalization versus Political Localization	.77
	Gender Relations and Patriarchal Social Structures	78
	Minority Rights	
	Communitarian Social Structures and Minorities	80
	African States and the Technological Malaise	
	Technology Relations and Marginalization	
	Africa and the Third Globalization	
	Civil Society Relations	
	Conclusion	
	HAPTER FIVE	
7	ROM TERRITORIAL TO SOCIAL CORRUPTION CARTOGRAPHIES	3
		.93
	Situating the Impact of Globalisation on the Accountability Quagmire in the	
	Ugandan State Locale	95
	The Phenomena of Transnational Capitalism	
	Territorial or Social Cartographies: The Deterritorialization of Development a	
	Mythification of Territorial Analyses	98
	The Nexus of Global and Domestic Corruption	00
	Situating Corruption in the Neo-liberal Hypocrisy in Uganda	01
	International Finance Institutions Corruption and Privatization in Uganda1	04
	World Bank Wakes Up too late to Fight Corruption	
	Global Neo-liberalism and its Corruption Inducement Ruses	
	The Weakening of Nation States1	08
	Economic Globalization and Political Opportunism in Uganda1	10

The Conspiracy with Pseudo Democracies	111
The Creation of a False Consciousness	113
Uganda as a Conduit for Primitive Accumulation of Capital	114
Conclusion	
CHAPTER SIX	
FROM COMMODITY TO CAPABILITY FETISHISIM	124
Introduction	124
Human Development as a Harmonisation of Social and Territorial Carto	
Modernisation and Territorial Cartographies	
From trikleism to Needism: The Reconfiguration of Social Cartograph	
Basic Needs and Commodity Fetishism	
From Social to Human Development	
Neo-liberalism, Economic Globalisation and the so called Paradigmatic	
Quagmire	
Territorial or Social cartographies: The deterritorialization of the Sociol	ogy of
Development	
Critical Ethnographies of Globalization and Governmentality: The	
Reterritorialization of Development	136
Human Development, Capability Fetishism and the Harmonisation of So	
Territorial Cartographies	
Postmodernism/Postructuralism and the Deconstruction of Fetishism in	
Development	139
The Need for the Capability Approach to Pay more Emphasis to Global	
Structures of Social Injustice	
Gendered Development as a Harmonization of the Rights Based Approa	
Capability Approach to Human Development	
Conclusion	
Bibliography	149

#### CHAPTER ONE

FROM LIBERAL TO NEO-LIBERAL CAPITALISM: SITUATING THE EMERGENCY OF NATION STATES IN SUB-SAHARAN AFRICA AND ELSEWHERE

Kizito Michael George and Kanakulya Dickson<sup>1</sup>

Greed is GOOD, Greed is RIGHT, Greed WORKS...this is the underlying premise of the American New World Order System....this is the basic proposition of global neo-liberalism...this scheme of disaster capitalism condemns the poor for being poor<sup>2</sup>. **Jack Shearer** 

The problem is not globalization as such but corporate capitalist globalization and the neo-liberal organization of international agencies. The ideological legitimation of this form of globalization rests, in large part, on the assumption that it is inevitable and irreversible. **Karsten J. Struhl**<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> I thank Mr. Kanakulya Dickson for writing an excellent analysis on the historical evolution of the nation state. Mr. Kanakulya Dickson is an Assistant Lecturer in Makerere University Department of Philosophy.

<sup>2</sup> S. Shagara Crand in Cood http://www.nation.nici.com/state/parameters/150.2019.

S. Shearer, Greed is Good, http://www.antipasministries.com/dvd\_order.htm , accessed on 15-9-2010
 Karsten J. Struhl, Is Globalization the Problem,

http://www.globaljusticecenter.org/papers2006/struhlENG.htm, accessed on 15-9-2010

#### Introduction

The issues confronting emerging 'independent' nation states in Sub-Saharan Africa include but not limited to: neo-colonialism, absolute poverty, gender injustice, war and civil strife, human rights and bad governance. We can not thoroughly appreciate these challenges without a clear understanding of the global paradigm shift from organized to disorganized capitalism. Precisely these problematics ought to be situated in the neo-liberal discourse that is largely responsible for their production and reproduction. Because of the neo-liberal paradigm shift, global justice institutions have been incredibly reconfigured and compromised and hence rendered instruments of oppression and hypocrisy. According to Pinzani:

The international organizations which should fight world poverty seem to be in a difficult situation. The United Nations seems to have lost their leading moral role after the events prior to the Iraqi war showed their basic impotence towards the politics of powerful nations. The World Bank and IMF are controlled by those countries which would have everything to loose from the remission of the international debt. In the so called "developed countries" a huge frustration is mounting against these organizations<sup>4</sup>.

Although most of the African countries gained theoretical independence in the 1960s and 70s, the entire African continent was presumed to be free from colonialism at least theoretically by 1995<sup>5</sup>, after the triumph over apartheid in South Africa. The period 1960-1975 witnessed fragmentations of African states into either socialism or capitalism however by 1980 all African states had been virtually superimposed by neo-liberal Capitalism and American economic globalization or the so called Washington census. The challenges facing African

<sup>.</sup> 

<sup>&</sup>lt;sup>4</sup> Alessandro Pinzani, Global Justice as a Moral Issue, Interviewing Thomas Pogge, http://www.cfh.ufsc.br/ethic@int41.pdf, accessed on 15-9-2010

Decolonisation of Africa, http://en.wikipedia.org/wiki/Decolonisation\_of\_Africa, accessed on 15-9-2010

nation states can be traced from the fact that African nation states only attained theoretical independence and this implies that in practice they remained western neo-colonies governed under the dictates of western neo-liberalism policy guidelines.

The break up of the Soviet Union in 1989 and consequently the Berlin wall meant that neo-liberal capitalism had attained an almost undisputable hegemony as a global political and economic ideology. Emerging states such as South Ossetia, Georgia and others are undergoing the same dynamics that African states faced. Anna Ferguson argues that:

The main principle of justice of capitalist democracies can be stated as the right to equal freedom or liberties in a political and economic system based on individual freedom of contract, whether this be in the economy, the family or the social contract of government. John Rawls (1971) frames this as his first principle of Justice as Fairness. According to this paradigm individual political and civil liberties and the right to private property should be prioritized over any government control of the political and economic spheres that might jeopardize these liberties. The social contract of government should be a representative democracy. Critics have argued that the massive inequalities and class differences that occur in the process of capitalist accumulation allow only the wealthy few in capitalist democracies to truly have the freedom to exercise civil and political liberties and to amass private property<sup>6</sup>.

In attempt to capture the global justice quagmire posed by neo-liberal capitalism, Thomas Pogge argues that:

Traditionally, international relations were seen as sharply distinct from domestic justice. First, it focused on interaction among states, and later, evaluated the design of a national institutional order in light of its effects on citizens. Such institutional moral analysis is becoming applied to

<sup>&</sup>lt;sup>6</sup> Ann Ferguson, Women Organizing for Global Justice, http://www.globaljusticecenter.org/papers2006/ferguson2ENG.htm, accessed on 15-9-2010

supranational institutional arrangements, now days more pervasive and important for the life prospects of individuals. The traditional lens suggested fair agreement among states. The new lens shows that the global institutional order is unfair because it enriches elites in both rich and poor countries and perpetuates the oppression and impoverishment of the majority<sup>7</sup>.

Fisk critiques the global justice school's lack of cognizance of the intricacies of global capitalism as follows:

There is renewed interest in the topic of global justice sparked by the appearance of works by Charles Beitz, Brian Barry, Thomas Pogge, and John Rawls. Much is worthwhile in the discussions these works have generated. They have stressed the need to go beyond a theory of justice whose scope is limited to individual states. They have laid out the problems faced by a cosmopolitanism that substitutes a world state for the multiplicity of individual states. They raise the question whether the freedom and equality that ought to be the right of citizens of any state should extend to persons in general. However, many of the contributors to the volume Global Justice, edited by Thomas Pogge, start from a position that obstructs progress toward an adequate concept of global justice. This school sets out from an egalitarian morality that treats persons as equally worthy of respect and of autonomy from an impartial standpoint. From here, the school moves to conclusions about the equal treatment of persons, a distributional matter. Some members of the school think that, in the absence of prior commitments to unequal distributions, equal distributive shares follow from equal respect among people engaged in a cooperative project. Others hesitate to go this far and limit equal treatment to the political and social arenas. But whatever their differences, there tends to be a common starting point - equal respect. However, capitalism cannot run on a basis of equal autonomy. It has to resort to the tyranny of management in the workplace, the tyranny of money in state politics, and the tyranny of elite international bodies in world trade and politics. Such tyrannies make decisions based on principles with which the working and impoverished majority could not reasonably agree. The lack of agreement shows itself in many ways, including the formation of unions for protection against the power of employers, of community environmental associations opposed to industrial pollution, and of global protests over the abuse of intellectual property rights. These expressions of disagreement are symptoms of the failure of the principles of equal respect and autonomy needed for cooperative association. The breakdown of cooperation, not just in individual cases, but also right down the class divide across the world signals the impossibility of a global justice that would protect such cooperation in a capitalist world8.

<sup>&</sup>lt;sup>7</sup> Thomas Pogge, What is Global Justice? http://papers.ssrn.com/sol3/papers.cfm?abstract\_id=1316870, accessed on 15-9-2010

Milton Fisk, What's Wrong with 'Global Justice'? http://www.globaljusticecenter.org/papers2006/fiskENG.htm, accessed on 15-9-2010

This book argues that It is only in examining these dynamics that we can properly understand the global justice challenges confronting the nation states in Sub-Saharan Africa.

#### Origins of the Concept and Phenomenon of the Nation-state

#### Meaning of Nation-State

The etymological roots of the word 'nation' are traceable from old French 'nacoin' or 'natio' and Latin 'nationem' which renders it as 'stock'. Nation can therefore mean a stock of people or people with the same stock. Stock is used in this sense as a kind of 'trunk' or 'stump' from which others stem such as a trunk of a tree that gives off branches and leaves. A nation therefore literally means a group of persons who share the same ancestry and have identical features. State in this sense can be understood as being, form, structure or setting in position. But in other terms it means social and political organization of a given group of people. We can therefore take the classical meaning of nation-state to be: the social and political structure and organization of people of the same or similar stock.

However, it should be noted that this classical meaning has been stretched over time and new conceptions of nation-state have emerged in the history of mankind. Other factors have come in to shape the understanding of nation-state. One of them is language; many nation-states are named after the language the group speaks. In time, geography came to play a key role due to the increase in numbers and scarcity of natural and other resources. There are nation-states that have people of different stocks such as the USA. There are nation-states that are made of primarily

9

religious consideration such as the nation of Vatican. But still there are nationstates that are retaining the classical identification of people who share a common ancestry. We find many nation-states that are named after their stock or ancestry, geographical places, language, socio-political arrangements, etc.

In moderns times nation-state has come to stand for a consciousness that the majority of a group of people in a geographical area do share rather than a stock of people in genetic terms. It has actually been indicated by genetic science that all nations of humans share a common genetic ancestry (Hammer, et. al 2000). That is why the ancient basis of defining nation-state is increasingly being stretched and challenged by modern experiments. Nation-state is increasingly being seen as a result of social programming and conscious building (Anderson 1991).

The state also stands for an arrangement of power relations that exist in a given geographical continuum. Some scholars do understand state as:

...a set of associations and agencies claiming control over defined territories and their populations. The main components of the state are, consequently, decision-making structures ... decision-enforcing institutions...and decision-mediating bodies...The character of the state in any particular country is determined by the pattern of organisation of these institutions at specific points in time. (Chazan, et al 1988:37)

This understanding of the state is fairly a modern one; nonetheless it captures the most basic structure and nature of any political entity that ever existed or that currently exists over a given geographical territory. In ancient times the nation-

state may have taken a different variant from the modern one but they generally retain similar structures.

#### **Ancient Nations**

Nations, in ancestral and genetic terms have existed as long as man. But at the same time, nation-state in terms socio and political organization has also existed for long. In recorded history of man there have been nations and states coming and going. Ancient nations were generally organized and named along ancestral and ethnic lines however, there were also many projects of building nations-states that cut across ethnic lines. But we can not call the ancient projects nations in the strictest modern sense, but "ancestral-controlled empires". The best historical examples are the great empires like Ancient Egypt, Ancient China, Ancient Japan, Ancient Babylon and the Roman Empire. These were political organizations that represent successful building of nations. What characterized these ancient nation-projects was that at the core of these empires remained a kind of genetic definition and they had an overly spiritual character. Apart from the Roman Empire, another distinguishing mark of these ancient projects was a great emphasis and centrality of given blood lines (royalty) in building and controlling the empire.

We can therefore distinguish the previous era of empire building as the ancient nations. However, in modern times we saw the rebirth of the nation in under distinctive circumstances and in a different fashion. What makes the modern nation distinctive from the ancient projects is most probably the preceding epoch of the experiment of the religio-political arrangement that came to be known as Christendom under the auspice of the Roman Catholic Church. Despite that fact that there had been made past empires that had spirituality at the centre of their

life, this was a new experiment because it was based on the teachings of a hitherto unknown religious figure called Jesus. His teachings were sharply revolutionary yet he taught his followers that his Kingdom was not of this world. Nonetheless, some of his later followers decided to make a Kingdom in this world using his teachings. This religio-political arrangement came after the metamorphosis of the Roman Empire. The modern nation-state emerged after the collapse of the religio-political experiment which lasted for centuries in various formats.

#### Advent of the Modern Nation-State

#### **Experiences and Roots in Medieval Europe**

The curtain is removed on the nation-state in medieval Europe after the 30 years war which technically ended with the treaty of Westphalia in 1648. This was the culmination of a long and hard war in which nationalities and principalities fought for independence from the Papal system that had dominated Europe for so long.

This rejection of the authority of the papal religio-political hegemony had been sparked off by the spiritual conflict between the papists (followers of the pope) and the reformers of the Church (followers of Martin Luther). Martin Luther wanted to reform the papacy which had become terribly abusive and corrupt and immoral. The modern nation-state therefore has its origin in the desire for spiritual freedom. As Martin Luther led the reformation, he encouraged the political leaders who had all along been under the dominion of the papal religio-political kingdom, to seek for political freedom too. Some of the princes of German principalities came

together and wrote a issue a written protest against the hegemony of the pope.<sup>9</sup> They wanted their freedom as nations to be self-determinant. They wanted to chart their own destiny.

But looking at the birth of the nation-state from 1648 would easily make one miss the gist of the ideas behind this concept. The actual origin of this long and hard war was in the religio-political life of medieval Europe. Medieval Europe was under the hegemony of the papacy in both spiritual and political terms; and there is no room for religious, academic, political and economic dissent. The clergy class was in charge of almost every aspect of life. The education (mindset) and organisation of society was determined by them. At this time human life and society rotated around the Roman Catholic Church and you could not dare challenge that arrangement without consequences.

To understand the system that existed we must examine the dominant religio-political ideas and arrangements that existed at the time. Let us consider one thinker who represents the roots of this arrangement. In the Roman Catholic Church, the religious thinker and philosopher Augustine is taken as a saint. This isn't for no reason. Augustine is one the pillars of the Roman Catholic Church's teachings and was one of the backbones of the religio-political arrangement that existed at the time. On of his greatest works is *The City of God*. In it Augustine, who was also at one time a Bishop of Rome (equivalent of the Pope today) discussed his ideas on how human government ought to be organized.

<sup>&</sup>lt;sup>9</sup> That is why afterwards both those who were struggling for spiritual freedom and those for political freedom came to be known as the 'Protestants'.

He had been influenced by two main forces: the first was the historical development of the merging of Christianity with secular politics by Constantine; the second was classical Platonic dualism. Because of what Constantine had done. there was a growing trend among thinkers of the time to merge Christian biblical teachings with philosophical ideas. Augustine was also not spared the bug: he had liked the ideas of Plato of dividing reality into two realms, namely the realm of 'Ideas' and that of 'Forms'. According to Plato, the Ideas were the real things-inthemselves while the Forms were appearances or shadows of the Ideas. For that reason the world of appearances was inferior to that of ideas. Using this approach to think about government. Augustine thought that when it comes to government, human government was a shadow of Divine government and the latter is superior to the former. Therefore there is the divine polis and the human polis. There is the City of God and the City of Man. The City of God is the real thing and those who dwell in it are the ones who are holy. Men can get into the city of God through salvation and doing good things. And this City will have to be governed by the holy ones of God.

These thoughts of Augustine came to be taken by Roman Catholic followers to mean that those who reign in the City of God are the clergy. The Roman Catholic theologians therefore decided to form a *polis* here on earth that is governed by the clergy – the holy ones. They had the holiness that made them qualified to rule over this City. This is the idea that brought about the early merging of the state and the church. What Constantine had done militarily and politically, Augustine explained philosophically and theologically. The result was that by the 10<sup>th</sup> century, the clergy who were thought to be the ones who know how best to rule according to