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978-0-521-41078-6 - Merchant Capital and the Roots of State Power in Senegal 1930-1985

Catherine Boone

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Although they are integrated into the world economy, most regimes in sub-Saharan Africa have not been very effective agents of capitalist development. Rulers have often used state power in ways that compromise, rather than promote, economic growth. In this book, Catherine Boone examines how the consolidation of a stable ruling alliance in postcolonial Senegal narrowed possibilities for agricultural and industrial development. She shows that this ruling alliance was rooted in forms of economic and social power forged under the hegemony of colonial merchant capital. Senegal's regime shied away from promoting capitalist development because its own bases of power did not lie in capitalist class relations and forms of production. Old trading monopolies, commercial hierarchies, and patterns of wealth accumulation were preserved at the cost of reforms that could have stimulated economic growth.

Boone develops this argument to demonstrate the limits of analyses that identify state institutions or ideologies as independent forces driving the process of economic transformation. State power, she argues, is rooted in the material and social bases of ruling alliances.

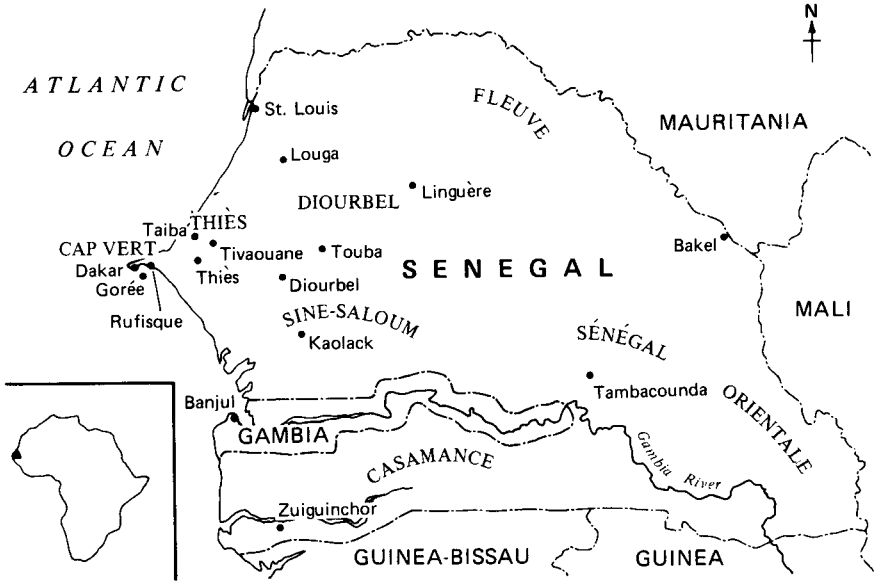
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To Peter

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En Afrique, . . . les évènements sont . . . difficiles à interpréter. L'époque du nationalisme s'achève, celle des conflits internes commence, mais les forces en présence ne sont pas encore clairement réparties, les problèmes d'hier et ceux d'aujourd'hui se confondent, les facteurs économiques et sociaux les plus décisifs ne sont qu'aperçus, faute d'une évolution économique suffisante.

R. Braudi, *France-Observateur* (7 mai 1964)

[O]r rien n'était encore clairement dessiné, au début des années 70, ni la doctrine concernant l'évolution souhaitée, ni les évolutions du fait, jusqu'ici incertaines.

Régine Nguyen Van Chi Bonnardel, *Vie de Relations au Sénégal* (1978:825)

Une dizaine d'années après, malgré tous les changements intervenus dans chacun des Etats, surtout dans le continent et dans le monde entier, les choses semblent apparemment en être encore au même point . . .

Abdoulaye Ly, *L'émergence du néocolonialisme au Sénégal* (1981:144)

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Preface and acknowledgments

In the analysis of economies on the periphery of the world capitalist system, industry studies provide vehicles for testing and generating theories about changing patterns of capital accumulation at the local level, class formation, and the role of the state in shaping economic change. The present study was undertaken in this tradition.

I began studying the Dakar textile industry in 1984. This industry was the core of an “import-substitution” industrial sector implanted during the final decade of direct colonial rule. Like most of light industry in Dakar, it had been heavily protected from foreign competition since its birth in the 1950s. Senegal’s foreign creditors were pushing free markets and economic liberalization in the 1980s, policies that would surely spell the demise of the industry. My project, as it was conceived when I set out in 1984, was to study the conflicts, compromises, and bargaining processes that would emerge as the “triple alliance” – the state, foreign capital, and local private capital – maneuvered in the face of external creditors’ demands for reform.

I immediately ran up against two major facts about the Dakar textile industry in the 1980s. First, the World Bank’s demands for liberalization of the import trade seemed to have had no discernible effect. On paper, the industry was more protected from foreign competition in 1984–6 than it had been in the past. Second, it was soon clear that the textile industry lost the struggle for control of its domestic market long before “structural adjustment” began. The market was swamped with low-cost imports, and the industry was in deep crisis as a result.

Trying to account for this took me far beyond my original project and into an analysis of control over markets in Senegal. I realized that the structure of control over markets was critical to explaining why the process of capitalist development in Senegal had remained so shallow and weak. This led me to study the colonial origins of present economic structures, the postcolonial regime and the agrarian bases of its economic and political power, and the divided character of the ruling class. The results are presented here. This book treats the rise and demise of the Dakar textile industry as the effect, or symptom, of broader changes in the domestic political economy. Ultimately, the industry study provided a point of entrée into an analysis of the relationship between state power, patterns of economic development, and control over markets in Senegal.

At the outset, I can clear ground by situating this study with respect to two major critiques of light industrialization (import-substitution industrialization, or ISI) in sub-Saharan Africa: neoclassical economists' critique, and the critique mounted by the underdevelopment and dependency schools. In the early 1970s, when balance-of-payments disequilibria emerged as a major problem in many African countries, "development economics" began to reverse its original stand on ISI. The view that ISI was one stage in the "take-off to self-sustained growth" gave way to critiques that catalogued the inefficiencies characteristic of ISI: overcapacity, absence of economies of scale, inflated factor costs, limited domestic market competition, dependence on imported inputs, etc. Development economics now argues that this form of industry does not make sense: It is too inefficient.

Critics working within the underdevelopment approach tended to view the issue from a different angle. They emphasized the alignments of foreign and local class interests that sustained the ISI process in the postcolonial period. These analysts faulted ISI less for its inefficiency than for its role in exacerbating external dependency and perpetuating distorted patterns of growth. They stressed the dependency on foreign capital, foreign inputs, and managerial know-how that tended to accompany ISI in sub-Saharan Africa, and pointed to the overseas drain of local wealth that resulted. Underdevelopment theorists showed how foreign monopolies over lucrative industrial opportunities impeded the rise of indigenous industrial classes, and thus the rise of more dynamic forms of industrialization that would be better integrated into national economies at large.

I accept both lines of argument as generally descriptive of import-substitution industry as it developed in Senegal and in much of postcolonial sub-Saharan Africa. The inefficiencies that are often associated with ISI have been striking features of the Dakar textile industry as a whole since its creation in the 1950s. And there is no question that the textile industry was part and parcel of broader economic forces and arrangements that reinforced Senegal's external dependency and the weakness of local capital. Neither critique, however, provided analytic tools to explain the abrupt and "unintended" reversal of the ISI process observed in the case of the Dakar textile industry.

It became clear that important limitations of existing critiques are rooted in narrow conceptions of the domestic political forces that affect the industrialization process in general, and ISI in particular. "Structural features" of ISI, such as limited domestic market competition and production monopolies, are artifacts of ongoing state efforts to control and regulate markets. These economic structures are sensitive to a broad array of domestic-level forces that shape the use of state power. As the analysis presented here suggests, political struggles that can reshape the industrialization process may have little to do with industry per se. In Senegal, markets – "the sphere of exchange" – remained the key locus and site of accumulation within the national economy, not industry. The explanation for why this is so is a critical part of this book. It was state-mediated struggles for control over markets that gave rise to, and then undermined, the Dakar textile industry.

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The research for this study was conducted between 1984 and 1986 in Senegal and in France. In Dakar, I relied on the Archives Nationales du Sénégal, the library of the Dakar Chamber of Commerce, and the library and case study data bank of the Ecole Supérieure de Gestion des Entreprises (ESGE), now called the Centre Africain des Etudes Supérieures en Gestion (CESAG). Thanks to the hospitality of the government of Senegal and the extremely favorable research climate that it successfully maintained in spite of all that happened in the 1980s, I was able to conduct extensive interviews in and around Dakar. I spoke with industrialists, firm managers, technicians, firm-level consultants, industry analysts, textile dealers, importers, retailers, and union leaders. Officials in the ministries of development and planning, industry, commerce, and finance were remarkably open and forthcoming with information. I also received help from people working in the state banks, SONEPI, SOFISEDIT, the Dakar Chamber of Commerce, parastatals, and the Inspection du Travail. I returned to Dakar in 1990 and revisited some of these contacts.

Supplementary research was conducted in Paris and Mulhouse. Additional material on the colonial period was collected in the Archives Nationales, Section Outre-Mer and the Chambre de Commerce et d'Industrie de Paris. I was also able to interview representatives of the Syndicat Général de l'Industrie Cotonnière Française, Ets. Schaeffer and Schaeffer Engineering, and the Compagnie Niger-France.

Footnotes in the text refer to the interviewees in general terms to protect them from unwarranted association with conclusions I have drawn. Their interest and patience made this study possible. The interviews were not recorded on tape; I relied on notes.

An excellent secondary literature on Senegal, in French and English, forms the backbone of the study. All the translations from French are my own. Drawing heavily on this literature, I learned that social studies can indeed be "cumulative." I hope I have used this existing work in the spirit in which it was written, without errors of interpretation. As the reader will see, I am particularly indebted to Samir Amin, Donal Cruise O'Brien, Rita Cruise O'Brien, Momar Coumba Diop, Mamadou Diouf, and Edward Schumacher.

Graduate students at the Ecole Supérieure de Gestion des Entreprises in Dakar wrote detailed and exacting case study analyses of firms in Senegal's textile industry. Their work is available in the case study data bank of CESAG. Anonymous analysts in the ministry of industry painstakingly assembled data on a textile industry in crisis in the 1980s. These sources of information were also invaluable.

Many institutions provided support. The project began as a doctoral dissertation in the Department of Political Science at the Massachusetts Institute of Technology (MIT). During the initial phases of research, I received support from MIT's Center for International Studies thanks to the help of Professor Myron Weiner. My first trip to Dakar was funded by the American Association of University Women. Subsequent research was funded by the Social Science Research Council of New York. The Ecole Supérieure de Gestion des Entreprises

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and its then director M. Tidjane Sylla provided me with an institutional affiliation in Dakar. This affiliation proved to be one of the most pleasant and rewarding aspects of the entire project, thanks to Professor Jean-Claude Nascimento. I received assistance from Professor Moustaffa Kassé of the Centre des Recherches Economiques Appliquée (CREA) at the Université de Dakar. Later, the University of Texas at Austin provided research funding that allowed me to develop some parts of the argument in article form. Finally, the Harvard Academy of International and Area Studies funded the final stage of writing. Dr. Ira Kucin, Professor Henry Rosovsky, Chester K. Haskøll, the Academy Scholars, and Harvard's Center for International Affairs deserve much credit for the completion of the manuscript.

Others deserve credit for setting the process in motion. My relatives – James L. Boone, Catherine R. Boone, Francis A. Hennigan, and Joseph J. Bucuzzo – encouraged me to study. David Laitin, Michael Chege, and Jeanne Bergman drew me into the field of African studies. Willard Johnson, my academic advisor at MIT, inspired me to continue and helped to make it possible. Myron Weiner has been a critical and decisive source of moral and professional support. Peter Smith, John Freeman, Suzanne Berger, and John Harris also contributed to my dissertation. So did my friends Kirsten R. Wever, Cathie Jo Martin, Mercedes Hernandez R., and Carol Conaway.

Joel S. Migdal helped me to sharpen and elaborate my arguments by organizing a stimulating research group on state–society relations in 1989 and 1990. I am grateful for his openness and encouragement. Joel Migdal, Peter Lange, and Emily Loose and Herbert Gilbert at Cambridge University Press, were instrumental in bringing this work to fruition as a book.

My most relentless critic has been my friend and colleague Robert Vitalis. Unprepared to accept conventional wisdoms, Bob Vitalis warned me about pitfalls that are easy traps along my path of analysis. Paul Cammack of the University of Manchester was another incisive reader. Naomi Chazan, David Gibbs, Cathie Jo Martin, and Leonardo Villalón (who is now writing on Islam in contemporary state–society relations in Senegal) offered comments that improved the final manuscript.

Thanks to my friends in Dakar, I lived and worked in Senegal without feeling like a complete alien. My warmest and most sincere gratitude goes to Mme. Loty Sow, Loty's husband, Jean-Claude Nascimento, Fara François Brangale, Léon Sarr and Coura Niang, Abdoulaye Fall, Mame Mor Diop, Georges and Yolla Arian, Seydina NDiaye, Justin Diatta, and Amina Boutaleb.

I would also like to express my respect for M. Mohammed Mekouar, M. Bernard Thierry-Mieg, and the Dufours, the businessmen who built a textile manufacturing industry in Senegal. They displayed great business sense and resourcefulness in operating within a broader economic and political context not of their making. The successes of the industry were in large part their achievements; the limits of the industry can be explained in terms of the structure of incentive, choice, and risk that they faced. The same is true for the current owners of the industry.

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Peter Trubowitz was involved the most deeply in every phase of this project. He spent months in Senegal, read and reread the manuscript in all its various forms, and pushed me to clarify and explain my arguments. If I had lived up to his standards, this work would be more exacting and refined. Without his patience and support, the book would not exist. Our two other companions, Slim Boone and Rocky Trubowitz, provided constant devotion.

The errors and shortcomings of the manuscript are my own. I trust that over time, they will be brought to my attention by my esteemed colleagues.