

# International Politics of African Underdevelopment

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**Abstract:** - The aim of this paper is to give a critical discussion of contemporary global political economy by focusing the effect of reproduction of the global financial institutions, policies, and relations associated with neo-liberalism within the dynamics of global capitalist crisis. The paper has three dimensions, firstly, is the situation of global crisis and neo-liberalism has effect on the economy of underdeveloped countries as well as argue that crises have been functional product of capitalist system. Secondly, the papers will overview level of response to the economic crisis of underdeveloped countries by international financial institutions (IFIS) with support efforts of regional organizations and civil societies groups. This paper will give playing ground for the new perspectives, either pro or anti neoliberal forces, but the paper will provides an opportunity to re-articulate the reflection given by the so called underdeveloped countries to heavily submit their economic development plan and strategy from global or developed countries owned financial institutions that only leads to exploited and manipulate the underdeveloped countries economy to a bear economic dumping ground. This paper thirdly, also understand that corruption in Africa leads to the continent's underdevelopment is based on the assumption that funds that could be used to develop the continent are stolen by African leaders and stashed in foreign banks living their citizens in abject poverty.

**Keywords:** Neo-Liberalism, Developed Countries, Underdeveloped countries, Global Financial Institution.

## I. INTRODUCTION

African Political Economy emerged from the circumstances of her forceful integration with the international capitalist system, through the successive and combined impact of slavery, colonialism and neo-colonialism. African's economy today is not only underdeveloped, but also almost prostrate. (Sikiru, 2009) The Human Development Report 2000 (UNDP, 2000) has highlighted about the freedom of discrimination, want, fear and injustice as part of the characteristics of African or Third World social structure or political economy. Human development structure is one of the driving engine that develop any economic system in the world, if human development shifts the conceptualization of development and poverty from a matter of charity to a matter of justice, then human right approaches added some implication on human development strategy advocated by various global financial institutions. However, in this respect various financial institutions denied various underdeveloped countries the right to develop their economic system despite the availability of all needed resources to achieve the level of development by putting some economic policies that only benefit the developed countries and deprive the third world from moving ahead of where they are today. According to Claude Ake (1996) has argued that our leaders, be it under

military or democratic government is incapable of developing their countries because of selfish interest for dominance, external influence.

The paper argue that the major defects of the development programs from the perspectives of international institutions were the mechanism of orthodox or approaches that have reduced the entire business adjustment to the attainment of a few balances such a balance of payment equilibrium and reduced government budget deficit without any regards to the implications of the social sectors and the overall welfare of the peoples. (Limpach, 2014)

Development should be looked from the perspectives of needs, desire by the society to achieve a standard of living and obtaining a quality life that make individuals or group in the society to enjoy the basic necessities of live and to go beyond that by obtaining other social infrastructure that makes lives to look better. The fundamental issue that will be raised by this paper is look at the contemporary economic current situations why many countries in Africa are living in extreme poverty while they have the resources to enjoy sustainable live like their counterpart in the so called developed countries.

## II. CONCEPTUAL CLARIFICATIONS

### *Development*

The concept of development has been defined and perceive from various angles, be it the development can be seen from the mechanization and industrial revolution. While UN Millennium Development Goal, has look development from the angle of eradication of poverty, hunger, illiteracy, maternal and child mortality, malaria and HIV /AIDS, gender inequality. From the two definitions above the concept of development it looks from social aspect and availability of facilities. Moreover, Rostow (1960) view Development from progressive movement from traditional society to the stage of higher consumption of goods and services. For any society that wishes to develop, it must go through five stages of development as passed by some countries in the West like USA,

- i. Traditional Society Stage: This is a rudimental life where society sticks to the old life of using traditional facilities or items in various aspect of human life.
- ii. Transitional Stage: This is a moving stage from a level one level of traditional live in search of new system.

- iii. Take-off Stage: This period where societies accept to change the mode of living to a new one that will give a better living and enhance the quality of the live.
- iv. Drive to maturity Stage: This is a where society meet the level of yielding higher production status that can boost the nation a economy and investment
- v. Stage of Mass Consumption: This is a stage where society meets the level apex of development that entails innovation and extensive opening in science and technology.

Hoogewelt, A (1978) has look at the development” as a process of induced economic growth of a social change in an internally stratified world”. From these two definitions development as a concept should be highly inclusive that covers various aspect of human endeavor in both area of economic growth, social structure transformation and strengthening of political institutions as a leading overall that generate entire human development.

#### *Key Features for Development*

For society to meet the level of sustainable development as a result of functional operation of economic sector, social sector and political institutions anywhere in the some certain parameters need to be taken in to considerations:

- Good Governance and Political Stability
- Development in the industrialization sector.
- Good Standard of living by the majority of the citizens.
- Functional security of lives and properties of the citizens
- Availability of social infrastructural facilities like schools, hospital, roads, water supply, electricity and effective communication system.
- Low level of employment
- Low level of crimes
- Low level of poverty.

(Okeke, 2015)

#### *Underdevelopment*

The concept of underdevelopment has become an issue of debate by scholars in the field of social science looking at the concept from various perspectives on the factors and causes that bring about how many countries in African are not develop despite the availability of resource that can make them to develop.

The paper argue underdevelopment is not the absence of development but to look at Africa is lacking development status as result of insufficient or inadequate of indices that will enhance development because of exploitation , mismanagement of resources and poor leadership in many African countries. Paul B.(1959) in his write up The Political Economy of Growth, has cited that “ it was search for external outlet to invest economic surplus that indirectly led to underdevelopment”. This show us our consumption

level has lead us inviting industrialized capitalist nation to invest more to African economy that give them more stake and control of the African economy expanding imperialism and colonialism and neo-colonialism where developed countries seek resource from poor countries making African countries a market for their product but with extensive control from external forces. In his opinion Andre Gunder , F(1989) was of the view that “ colonizing states constitute the ‘Center of Development’, while those colonies constitute the , Periphery”.

In same line of view Walter, R. (1972) in work ‘How Europe Underdeveloped Africa ‘ was in the position that:

*Imperialism was in effect the extended capitalist system, which for many years embraced the whole world-one part being the exploiters and the other the exploited, one part being dominated and other acting as overlords, one part making policy and other being dependent.*

This indicate to us that the history of African Development can be traced to colonialism and global capitalism which make other one part the producer and exploiters highly rich and capable of regulating and controlling the African economy while the other part are exploited living in poverty, unemployment depending for the exploiters to help them to a make living.

#### *Key Features of Underdevelopment in Africa*

African countries as a tagged by developed countries as dumping ground are characterized with the following features that make them to remain undeveloped:

- Poor Leadership demonstrated higher level of corruptions
- Past experience of imperialism, colonialism, colonialism and dependency on exploiters.
- Emergence of Conflicts and insecurity
- Inadequate and lack of social infrastructures like schools, hospitals, roads network, poor water supply and bad communication network.
- Higher level of Unemployment
- Higher Level of crime rate
- Higher level poverty rate

#### *Global Capitalism*

Globalization as a global of integrating a independent countries for the gain of certain goal for the mutual benefits of the all engaging countries. African is not underdeveloped because it integrate of their economies in to global capitalist system but for the reason of how their economies is adulterated with syrup of colonialism and neo-colonialism monetized the African and force them to be subjected to some economic policies that will promoted the developed countries through policies of exchange of raw materials and fixing prices of the primary commodities and the finished goods

making manipulation under the umbrella of World Trade Organization(WTO)

Table 1 : World Trade Mechanized Train in 2010

SN	REGION	EXPORTS VALUES (IN DOLLARS)	WORLD TOTAL
1	Europe	5.6 Trillion	38%
2	Asia	4.6 Trillion	32%
3	North America	1.9 Trillion	13%
4	Middle East	916 Billion	6%
5	CIS (Russia and Ukraine)	588 Billion	4%
6	South America	575 Billion	4%
7	Africa	500 billion	3%
Total		14.679 trillion	100%

Source: World Trade Organization (WTO) 2011 Press Release.

Looking at the above table we can understand that the Europe who are major world exploiters of economic resource has 38 % this show us the intensive level of investments and industrialization followed by Asian Tigers countries like China, Malaysia and Korea has a power of contemporary industrialization and large investment in different sector of economy. While Africa has small number of 3% this show us the level of their underdevelopment in the Africa.

#### *Developed Economy and Underdeveloped Economy*

A developed economy refers to a country with relatively high level of economic growth and security. Common criteria for evaluating a country's degree of development are per capita income or gross domestic product (GDP), level of industrialization, general standard of living, and the amount of wide spread of infrastructure . Non-economic factors such as the human Development Index (HDI), which qualifies a country level of education, literacy and health in to a single indicator that evaluate the country's level of development. (Tse, 2013) While underdevelopment refers to a state of economy where level of living of the masses are extremely low due to very low level of per capital income resulting from low level of productivity and high growth rate of population. Under developed countries are now known called developing countries signifying that such nations are capable of development by putting efforts to overcome the problem of poverty and low income earning.

According to United Nations, an underdeveloped country is one which has a real per capital income that is lower in relation to the real per capita income of USA, Canada, Australia and Western Europe. The emphasis here is on the low income level relative to the advance countries and lack of any perceptible success in making substantial improvements in quality of life of the masses. (University, Delhi, 2005)

#### *Compares the Per Capita income of Nigeria and USA*

The essence of this paper is to find out the level of per capital income between one developed country and one underdeveloped country to show the gap between the two countries which the paper wants to assess the GDP of Nigeria and USA. The GDP per capital is obtained by dividing the country's gross domestic product, adjusted by inflation, and by and total population. Nigeria's GDP per capita- actual data, historical chat and calendar of releases was last updated on July of 2017. The gross domestic product per capita in Nigeria was last recorded at \$ 2,457.80 in 2016. The GDP per capita in Nigeria is equivalent to 19% of the world average. GDP in Nigeria averaged \$ 1,648.26 from 1960 to 2016, reaching in all time high of \$2,563.10 in 2014 and a record low of \$1,089.10 in 1968. However, the gross domestic product per capita in the United States was last recorded at \$52,194.90 in 2016. The GDP per capita in the United States is equivalent to 413 % of the world's average. GDP per capita, in the United States averaged \$ 34,922 from 1960 to 2016 with all time high cost of \$52,194.90 but record low of \$ 17,036 in 1960. Looking at this figures of these two countries we can understand that there very wide disparity between developed and underdeveloped countries in terms of per capita income and the level of Gross Domestic Product.

### III.THEORETICAL FRAMEWORK

This paper adopted the dependency theory which has a notion that resource flow from the "periphery of poor and under developed states to a core of wealthy states, enriching the developed state. The theory arose as a reaction to modernization theory, an earlier theory of development, that today's underdevelopment areas are thus in similar situation to that of today's developed areas at some time in the past and therefore, the task of helping the underdeveloped areas out of poverty is to accelerate them along this supposed common path of development, by various means such as investment, technology transfers and closer integration in to the world market.

Dependency theory is influenced by Marxian ideology. They have a strong connection with the national, political independence movements in many African countries. Dependency theory rejected and argues that underdeveloped countries are not merely primitive version of developed countries, but have unique features and structures of their own, and importantly, are in the situation of being weaker members in the world economic market.

### IV. CONCLUSION

In conclusion, there is forces fighting against disaster capitalism complex, these forces include the rise of the radical populist politics now characterizing much of issues in Latin America, the popular hostility within the European union (E.U) to the increasingly neoliberal character of European economic governance. The direct action initiative for local

reconstruction work has cropped up from Thailand to the New Orleans.

These popular movements are not only problem to disaster capitalism faces multilateral governance of the global economy is the crisis from above as well as from below under the Bush administration, an aggressive United States (U.S) foreign policy rejected or de-prioritized alliances and multilateral obligations that were seen to constrain U.S power. This may have been the last desperate throw of the dice by U.S regime concerned with losing its global pre-eminence and willing to take extraordinary risks to maintains its global position with the U.S now entrenched in its own financial crash and the dollars as the world's main reserve currency under serious threat, particularly with the emergence of Asia as an alternative leadership pole, the probability of U.S decline has increased and the disaster capitalism complex that a section of U.S ruling elite has pioneered and promoted their economic interest depriving majority people's of the world using their resources to enrich themselves.

## V. RECOMMENDATIONS

The researcher has the following observations as recommendations to underdeveloped countries more especially countries in African regions to adopt a following economic development strategy;

- i. Most of so called underdeveloped countries have a wealthy resource for wealth generation and productivity, African countries must have a designated economic framework design that will charter and promote African economic development to a greater height and the nature of underdeveloped economy become independent and self reliant.
- ii. African countries should promote internal economic growth through promoting employment generation.

- iii. Underdeveloped countries should encourage Direct Capital Investment (DCI) between Africa and Asian continent.
- iv. Most of African countries should have a good and responsible leadership that chart the image of the continent in providing good leadership style that will lead the world.
- v. Investment in social security.

There need for the government at underdeveloped countries to invest more on social security to guarantee affordable houses, health care, education and employment opportunities for the entire citizens.

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