

## CHAPTER ONE

### 1:0. INTRODUCTION

As Western civilization and culture began to creep into Africa when foreigners, mainly Europeans, made their way into Africa, quests were aimed at imposing imperial ideologies and pilfering African resources. The World Bank and the International Monetary Fund (IMF) for example, are the two most powerful institutions in global trade and finance. Since 1980, the United States government which dominates both bodies has used them to economically subjugate the developing world. The World Bank and the IMF have forced Third World countries to open their economies to Western penetration and increase exports of primary goods to wealthy nations. These steps amongst others have multiplied profits for Western multinational corporations while subjecting Third World countries to horrendous levels of poverty, unemployment, malnutrition, illiteracy and economic decline. The region worst affected has been Africa. For two decades the World Bank and the IMF have forced developing countries to create conditions that benefit Western corporations and governments. These conditions are known as Structural Adjustment Programs (SAPs). SAPs require governments to: cut public spending,(including eliminating subsidies for food, medical care and education); raise interest rates, thus reducing access to credit; privatize state enterprises; increase exports; and reduce barriers to trade and foreign investment such as tariffs and import duties. These measures are supposed to generate export-led growth that will attract foreign direct investment and can be used to reduce debt and poverty. But these have served as tools for impoverishing Africa. We will take a brief look at the World Bank and the IMF after looking at a brief history of Africa.

## **1:1 AFRICA**

Africa is an enormous continent, occupying a fifth of the world's landmass, and it includes a number of radically different climates and environments: from dense jungles to extensive grasslands, and it includes the Sahara too, a desert the size of Europe. Africa was the cradle of humanity and home to ancient kingdoms including those of Nubia and Egypt. Other great civilizations, including the Kongo and Ashanti, arose prior to contact with Arab and European arrivals on the continent. The newcomers vastly increased the scale of slave-taking that already existed in some African societies; over the course of some 450 years, the slave trade to Europe, Arabia, and the Americas led to the depopulation of much of the continent's interior and the destruction or deformation of many African cultures. Even as slavery was being abolished, European powers lured by the continent's abundant natural resources engaged in a 'scramble for Africa', carving the continent into colonies along boundaries that disregarded existing societies. Today Africans of over 1,000 ethno-linguistic groups live on a continent divided into 53 countries plus Moroccan-occupied Western Sahara.

## **1:2 COLONIALISM AND AFRICA**

To maintain control over African populations and resources, colonial administrations frequently pursued divide-and-rule tactics. This entailed granting privileges to individuals and entire peoples to the detriment of other peoples and the general welfare. Ethnic and religious tensions encouraged or created by colonial rulers persist in many parts of the continent today, perhaps the most prominent example of which is Hutu-Tutsi tension in Rwanda and Burundi that has led to cycles of mass violence lasting decades into the post-colonial era.

Most African colonies won their struggles for independence in the 1950s and 1960s, although racist white-dominated regimes in Rhodesia (today's Zimbabwe) and South Africa persisted until 1980 and 1994, respectively. On most of the continent liberation from colonial rule gave way to similar divide-and-rule tactics and corruption practiced by Africa's new leaders. As political elites steered patronage to their tribesmen and stifled dissent, conflicts erupted. Cold War powers poured fuel on these fires, fighting proxy wars with African bodies. Colonialism involved both the material and intellectual subjugation of the colonized. The Europeans armed with Eurocentric pedagogies planted Western education vis-à-vis Christianity in Africa. Consequently, for a period of about 100 years after the British bombardment of Lagos (1851), the continent applied the Eurocentric educational curriculum hook-line and sinker. This era witnessed the writing of 'African History' through the lenses of European traders, missionaries, travelers, and adventurers, who sought to justify European imperialism in Africa.

## CHAPTER TWO

### 2:0 THE WORLD BANK AND THE IMF

The World Bank or the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) were created in 1944 by leaders of the 44 nations at the Bretton Woods Conference. The Bank was responsible for financing long term productive investment in member countries while the IMF was to provide loans to overcome short-term balance of payments deficits. Western leaders feared an unregulated world market would mean a return to depression, poverty and another world war.

#### 2:0.1 *Structural Adjustments Program (SAP)*

The debt crisis in the 1980s gave Washington the opportunity to “blast open” and fully subordinate Third World economies through World Bank-IMF structural adjustment programs (SAPs).<sup>12</sup> Starting in 1980, developing countries were unable to pay back loans taken from Western commercial banks which had gone on a huge lending binge to Third World governments during the mid to late 1970s when rising oil prices had filled up their coffers with petro-dollars. The World Bank and the IMF imposed SAPs on developing countries who needed to borrow money to service their debts. The World Bank’s SAPs, first instituted in 1980, enforced privatization of industries (including necessities such as healthcare and water), cuts in government spending and imposition of user fees, liberalizing of capital markets (which leads to unstable trading in currencies) market based pricing (which tends to raise the cost of basic goods) higher interest rates and trade liberalization.

## 2:0.2 *Adjusting Africa*

According to the UN Economic Commission for Africa (ECA) “the major thrust of economic policy making on the continent has been informed for the last decade or so by the core policy content of adjustment programs (of the type supported by the IMF and the World Bank).” The New York Times called the World Bank and the IMF, “the overlords of Africa.” Beginning in 1980, SAPs have been imposed on more than 36 of Sub-Saharan Africa’s 62 countries. As a result of SAPs, Africa is more integrated into the global economy than ever. SAPs’ emphasis on export-led growth has significantly expanded African trade level. But contrary to World Bank dogma, export expansion and rising foreign investment in Africa have not increased growth or reduced debt and poverty—in fact, as seen below, they have had exactly the opposite effect. Most African exports are raw materials and non-oil commodity prices have dropped by 35% on average since 1997. Foreign investment contributes little to African economies due to incentives given to the companies such as tax holidays and profit repatriation allowances.

## 2:0.3 *Impacts of Adjustment on Africa*

- **Slower Growth:** During 1960-1980, Sub Saharan Africa’s GDP per capita grew by 36%; in the 1980-2000 periods it actually fell by 15%. As the Center for Economic and Policy Research puts it, “These are enormous differences by any standard of comparison and represent the loss to an entire generation—of hundreds of millions of people —of any chance of improving its living standards.”
- **Increased Poverty:** According to the World Bank, in 2003, over 350 million people (more than half of Africa’s population of 682 million) lived below the poverty line of U.S. \$1 a day, a 75% increase over the 200 million figures for 1994.

- **Lower Incomes:** Africa's estimated per capita income in 1990 was at the same level it had been in 1960. Per capita incomes for most Sub Saharan countries fell by 25% during the 1980s and for 18 countries these incomes were lower in 1999 than in 1975. In 1960, Sub-Saharan Africa's per capita income was about 1/9 of that in high-income OECD countries; by 1998, it had deteriorated dramatically to about 1/18.

**Others are:**

- Low Human Development Indicators
- Decrease in Health Care and Increase in Disease
- Increased Debt Burdens
- Lack of Clean Drinking Water
- Decrease in education Levels

**2:1 CHINA AND AFRICA**

China's commercial and diplomatic surge into Africa some 15 years ago was greeted by many in Africa with exuberant expectations of what expanded engagement could bring to the continent in trade, investment, and growth. The China-Africa partnership has delivered on many fronts, and for many African economies the relationship has been truly transformative. But as Chinese engagement with Africa grows broader and more diverse, the initial euphoria has begun to subside. African governments and citizens are taking a more skeptical and pragmatic look at the costs and benefits of their partnerships with China. And the Chinese government is recognizing that it will need a more nuanced and differentiated approach to its African partners if it is to maximize the political and economic opportunities of engagement.

The China-Africa partnership has remained strong and the benefits that the relationship as brought to African economies are widely acknowledged. Chinese lending has allowed many

African countries to build sorely needed infrastructure, and Chinese commodity demand has driven high average growth rates in Africa for more than a decade. These new revenues have in turn opened up possibilities for diversification into other sectors. Chinese trade with Africa—\$210 billion in 2013—now exceeds that of the United States. But as the relationship has matured and the realities of more protracted interaction set in, both China and African governments are stepping back from a largely uncritical embrace toward a more pragmatic and realistic assessment of the costs and benefits of partnership.

### ***2:1.1 Negative Effects Of Chinese Partnership With Africa***

- Firstly, domestic constituencies, including civil society groups, unions, and business owners, have increasingly pressed their respective governments on the more controversial aspects of China's commercial engagement, including environmental damage, worker compensation and safety standards, the glut of Chinese textiles that have undercut African textile producers, employment quotas, and local content requirements.
- Secondly, African governments are thinking more strategically about their global engagement and commercial diplomacy. Countries like Angola have recognized the need to maintain a diverse portfolio of investment partners, and are aware that a slow-down in China's growth could have serious repercussions on their own economic prospects. A number of governments, including South Africa, have become more vocal in protesting the lopsided nature of their trade relationship with China, and many are beginning to chafe at the extraction of natural resources (by China and others) without benefit of local processing or value addition.
- Thirdly, has been the expanding presence of a broad swathe of private Chinese citizens in Africa—over 1 million, by some estimates—including small traders,

private businesses and entrepreneurs, and workers. Many have successfully set up shop and are integrated into local economies. But instances of worker safety violations, bribes to local officials, and tensions with local communities have tainted perceptions of China and pose a reputational risk to the Chinese government (although it has very little control over these diaspora populations). In 2013, Ghana expelled more than 4,500 Chinese nationals accused of operating in illegal gold mines. A growing area of controversy has been unabated popular demand in China for ivory and rhinoceros horn, which has fueled a poaching pandemic across Africa. Wildlife trafficking has generated increasingly sophisticated criminal syndicates operating across the continent.

## **CHAPTER THREE**

### **3:0 CHALLENGES OF DEVELOPMENT IN AFRICA**

#### **3:1 COLONIAL LEGACY**



Colonization distorted and retarded the pace and tempo of cultural growth and the trend of civilization in Africa. The consequences of colonization have resulted in colonies which led to an unbridgeable cultural gap between the beneficiary nations and victims of the practice. The era of colonization pillage and plunder led to the relative stagnation and often decline of traditional cultural pursuits in the colonies.

Mimiko (2010) asserts that the social fabric was completely devastated and a new culture of violence was implanted. Traditional African systems of conflict resolution were destroyed and, in their places, nothing was given. The democratic process, rudimentary though it was, but with great potential as accompanies every human institution, was brutally uprooted and replaced by the authoritarianism of colonialism. A new crop of elites was created, nurtured, and weaned on the altar of violence and colonialism armed with the structures of the modern state to continue to carry out the art and act of subjugation of the mass of the people in the service of colonialism.

Kasongo (2010) argues that one could infer that while westernization was imported to African countries, the hidden side of modernism was materialistic interest. To Kazonog, civilization was just another concept of domination, imposition of incoming new culture over traditional values. Standage (2005) on the other hand, posits that the historical context of westernization in Africa with Europe was through the Atlantic slave trade, missionary and imperialism. The forced acceleration of the black populations into the new world represented the sustained assimilation of western culture by Africans. Not that was all bad, however. Arowolo (2010), states that the colonial factor was essential in the understanding of the process of westernization in Africa. As a result, the effectiveness of colonization in changing the sphere of life in African societies is not hard to establish.

### **3:1.1 *Economic effects of colonialism***

The economic effects of colonialism can be viewed as a progressive integration of Africa into the world capitalist system within which Africa functioned primarily as a source of raw materials for western industrial production. The colonial economy also caused agriculture to be diverted towards the production of primary products and cash crops, a situation that contributed to hunger and starvation in Africa. Africa concentrated on producing more of what was needed less and produced less of what was needed most. Africa was perpetually turned to the production of raw materials, a situation that caused unequal exchange in - and balance of - trade.

Rodney (1983) suggests that the “plunderage” and systemically corrupt enterprises established in the colonies to expropriate natural resources in Africa to Europe have facilitated underdevelopment of Africa while it engendered the development of Europe. Neo-liberalism also cropped up in African societies which were just an economic process that distrusts the state as a factor in development.

### **3:1.2 *Social effects of colonialism***

The social effects of colonialism led to many challenges that included individualism of families in an otherwise close knit-family structures, fragmentation of family/social relations and rapid urbanization that has resulted into rural exodus and displacement of large segments of the population. Proficiency in African languages is declining in the continent because people are compelled to embrace western culture and civilization. This has caused alienation for people who cannot speak foreign languages as language has been used as a vehicle of culture which has literally created a dichotomy between the elite and the masses. Obadina (2000) argues that alien models imposed by colonialism laid seeds for a political crisis in Africa. By redrawing the map

of Africa and grouping diverse people together, ethnic conflicts were created that are now destabilizing the continent. It is impossible to imagine what would have been the shape of contemporary African history had colonial rule never had taken place. Some western historians have argued that less developed regions of the world, particularly Africa lacked the social and economic organization to transform themselves into modern states able to develop onto advanced economies.

### **3:2. FOREIGN AID**

The nature of inter-independence of nations makes it necessary for the granting of aid to needy countries. Neo-Marxists have always argued that the advancement of developed countries' economies have also facilitated the same measure as the under-development of the third world through colonialism, slave trade and unequal exchange of trade. The third world has acquired substantial amount of both internal and external debt, partly caused by foreign aid from countries in the West. The aid relationship has created a condition of economic subservience and of a master-servant relationship that could generate persistent seeking and lobbying for foreign aid through borrowing. Moyo (2009) argues that aid was not working in Africa because it interfered with development as the money always ended up in the hands of a small chosen few, making aid a form of taxing the poor in the west to enrich the new elites in former colonies.

Calderisi (2006) posits that few aid initiatives are well thought out and the money rarely reaches its intended target. He points out that the frequent theme of international has been how to measure the impact of aid more effectively, a disguised complaint that suggests that current yardsticks are not giving the right results.

### **3:3. CULTURAL DIPLOMACY**

In the period of European domination of the world, non-European countries acquired a great deal of European culture, values and technology. Now that the European hegemony has declined, previously existing cultures, traditions will manifest themselves again to some extent, adapted and hybridized with European ones; the question to ask is to what extent?

The deep seated traditions and thought patterns of cultures and civilization are not easily modified at all, and remain substantially intact even when they adopt techniques and ideas from others. Chandra has argued that in the beginning, globalization was supposed to bring about peace and harmony and basically lead to cultural diffusion, but instead, it has imposed American values and culture and a way of life on everyone everywhere. Thomas Friedman has observed that globalization has its own dominant culture, which is why it tends to be homogenizing. Niall Ferguson has indicated that globalization is a fancy word for imperialism, imposing values and institutions on others.

## **CHAPTER FOUR**

### **4:0. CONCLUSION**

Given the injustice ingrained in the international system in which Africa exists, much of the analysis and media coverage of the problems facing the continent portray an inescapably bleak future. Yet such pessimism fails to account for the strong voices of opposition in African civil society that continue to articulate alternative visions to the current market-focused system. At the seventh World Social Forum held in Nairobi in 2007, the first gathering of the worldwide citizens' movement held in Africa, tens of thousands of activists debated new ways to battle marginalization and social injustice across the continent through international collaboration. These progressive ideas underscore a people-centered approach in which governments are given the policy space to implement alternative economic systems that provide universal access to basic social services, and where local communities are empowered to truly hold their governments to account.

It is widely recognized that wealthy countries bear much of the responsibility for addressing the structural causes of Africa's marginalization in world development. Basic steps forward such as cancelling the illegitimate external debts that bind many African countries would give governments, greater sovereignty and finances to implement truly pro-poor development strategies. Promoting policies that help African governments to invest in small-scale farmers and allow local economies and food systems to flourish could lift millions out of poverty and hunger. Reforming undemocratic global governance and international finance institutions would give African countries, as well as others in the Global South, a greater voice in determining policies which benefit the impoverished majority. Furthermore, removing conditionality from loans and aid is essential in allowing governments the self-determination needed to protect local economies and end aid dependence.

Many challenges remain, especially in the worst areas like that of health. This sector has been difficult to achieve. It is still not “for all” but rather characterized by glaring inequities among socio-economic groups and classes. Similarly, from the above, the adverse impact of climate change poses a further threat to the issue of sustainability and to the achievement of the MDGs. This also presents a significant policy challenge for a continent that faces huge energy needs to power its development and industrialization. As a result, access to technology and financing become a must. These all call for a genuine partnership with Europe and with other actors; partnership that is not based on colonial history or competition over resources: maybe a plan like that of the Marshall plan for Europe and in a way that is consistent – to the extent possible – with the African way.

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