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From E Industrial Goods To Ebola: The Nature And Impact Of African Dependence On Foreign Nations In International Politics

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Abstract:
The paper provides a critical background to the study of Third World nations especially African states as they perpetually rely on foreign nations in all aspects of their living. It also examines different areas through which the Third World nations depend on Europe and America in areas such as economy, finance, technology, healthcare facilities among other things. Secondary methodology was applied from which findings show that, the argument of the dependency and underdevelopment theorists becomes justifiable. The historical antecedents of slavery, colonialism, neocolonialism and imperialism are not to be completely ruled out from the factors that engendered Third World's backwardness and overdependence on Western nations. The paper concludes that, such dependency nature will only further exacerbates African poverty, insecurity and make Africans as an invariable source for cheap labor among other implications. The paper recommends protectionist economic policies from the African nations, explosive expansion of domestic industries, research and development initiative, technical education and massive support for local entrepreneurs among other things.

Key words: impacts; nature; dependence; western; nations; Africa

Introduction

The historical antecedent that shaped Third World's relationship with the west is one of perpetual dependence on the advanced economies of Europe and America. This has been consolidated by the nature of imperial and neo-colonial characteristics. The emergence of globalization further widens the gap between rich and poor nations, thereby ensuring invariable dependence of third world on the western capitalist economies of America and the euro zone. This chapter discusses some of the major areas in which dependency is manifest. The why and how of overdependence consolidates itself.

The era of slavery which depopulated African continent and fetched out its productive population; the colonial era which saw the scramble for Africa, economic exploitation of African resources; the political domination of the African hitherto pre-colonial political systems by imposing indirect rule, assimilation and assimilado policies by the British, French and Belgian colonialists respectively have ensured perpetual dependence of Africa on Europe and America (Painter and Jeffrey:2009).

With the struggle for independence and self government by the Africans, Africa was said to have succeeded in obtaining just flag independence as their economies continued to be dictated by the western nations and America through the use of the Breton woods monetary system engendered by the great depression of 1929. This post independence style of domination is what the dependency theorists called "Neo-colonialism" (Sharp, 2008).

Imperialism as another instrument to ensuring third world dependence on Europe has been described as the highest stage of capitalism (Lenin, 1997; Barbara, 2006)
as capital has grown to produce corporate imperialism through multinational companies and foreign direct investment. This has also succeeded in producing economic structuralism which is aided by the trend of globalization (James and Narin, 2006). It is based on the above that, the paper seeks to investigate the strength of the dependency argument of why the third world nations are dependent on Europe and America.

Material and Method

The material used in this research work was obtained from documented literatures in library books, journals, periodicals, reports and news papers. This secondary methodology is also supported by the application of the dependency theory, which explains why Africa and other third world nations are dependent on the economies of Europe and America. The development of the dependency theory is traceable to
"two papers published in 1949 – one by Hans Singer," and the other by "Raúl Prebisch – in which the authors observed that the terms of trade for underdeveloped countries relative to the developed countries had deteriorated over time" (Matias, 2004).

The most notable nature and impact of this trend is that the "underdeveloped countries were able to purchase fewer and fewer manufactured goods from the developed countries in exchange for a given quantity of their raw materials exports." Other prominent contributors to the dependency and underdevelopment school includes Samir Amin, Walter Rodney, Gundre Frank Dos Santos, Paul Baran and many more from different continents of the world, in order to provide cogent reasons why the third world nations depend on the economies of Europe and America (James, 1997).

Findings and Discussion

Direct Economic Dependence

One of the major areas of African dependence on western countries is the area of economic dependence which is complex in its self. Economic dependence may involve African reliance on Europe in terms of marketing its cash crops, oil and solid minerals; finished goods; textiles; machines; building materials; automobiles; debt and foreign aid. Most of popular statements on dependency were made by Dos Santos (1971) when he posits:

Underdevelopment, far from constituting a state of backwardness prior to capitalism, is rather a consequence and a particular form of capitalist development dependence known as dependent capitalism… A relationship of interdependence between such economies and the world trading system becomes a dependent relationship when some countries can expand through self impulsion while others, being in a dependent position, can only expand as a relation of the expansion of the dominant countries which may have positive or negative effects on their immediate development. In either case, the basic situation of dependence causes these countries to be both backward and exploited.

In another related literature, Tausch (2003), describes the nature of economic dependency based on periphery capitalism as follows:

1. Regression in both agriculture and small scale industry characterizes the period after the onslaught of foreign domination and colonialism
2. Unequal international specialization of the periphery leads to the concentration of activities in export oriented agriculture and or mining. Some industrialization of the periphery is possible under the condition of low wages.
3. These structures determine in the long run a rapidly growing tertiary sector with hidden unemployment and the rising importance of rent in the overall social and economic system
4. Chronic current account balance deficits, re-exported profits of foreign investments, and deficient business cycles at the periphery that provide important markets for the centers during world economic upswings
5. Structural imbalances in the political and social relationships, inter alia a strong 'comprador' element and the rising importance of state capitalism and an indebted state class.

The mechanisms used in ensuring perpetual economic dependence of the periphery on the core nations have been highlighted by Audu (2013) when he argues:

Direct economic dependence refers to the situation in which the key sectors of the economy is controlled from outside by foreign monopoly capital. This is the most dominant form of dependence as it ensures direct exploitation of the underdeveloped countries. The systematic plundering, appropriation and expropriation of surplus produced by the labor force in third world as well as the product of petty commodity producers. This form of dependency is a product of the colonial heritage.

Trade Dependence

This deals with the determining nature of the western nations on prices of exports from the Third World with constant decline in the prices of commodities exported. Fieldhouse (1991:221) is of the view that:

The international economic system poses dangers to countries that depend on commodity exports: cycles of growth ebb and flow, seen most notably in the economic downturn during the interwar period that had proved disastrous for many countries in Latin America; and, while rejecting the structuralist position with respect to the debate surrounding the terms of trade, he does accept that commodity prices have experienced significant periods of decline.

Audu (2013) agrees with the argument of Fieldhouse (1991) when he wrote that

Trade dependency "is a logical outcome of direct economic dependence in that the colonial powers become the major trading partners of their former colonies". Audu (2013) also argues that:

The structure of dependence that was established since colonial incorporation persists up to date. Most third world countries, particularly African Countries' trade in primary commodities which continued up till today. They still remain importers of finished and manufactured goods from the developed countries and export in raw materials which prices are subject to the vicissitudes and vagaries of international market prices controlled by the advanced countries. In trade, the old pattern of dependence largely remains the bulk of exports of most of the Third World countries particularly African countries that go to the former colonizing powers and their Western allies for trading activities.

Financial Dependence

Financial dependency is another area where the third world depends largely on the advanced capitalist economy, especially that of the United States. The use of currency such as dollar and its manipulation to dominate other global currencies is pertinent in our foregoing discussions. Vernengo (2004) is of the view that:

The sine qua non of the dependency relationship is not the difference in technological sophistication, as traditional dependency theorists believe, but rather the difference in financial strength between core and peripheral countries – particularly the inability of peripheral countries to borrow in their own currency. He believes that the hegemonic position of the United States is very strong because of the importance of its financial markets and because it controls the international reserve currency – the US dollar.

In the early days of colonization, particularly in Africa, there was very little indigenous capital and development. The level of domestic savings was small because a single percentage or proportion of the wealth accruing to the indigenous colonial trade was spent on imports. Colonial capitalism, with its tendency to lapse into primitive accumulation left the indigenous population with little or nothing to accumulate wealth (Cordoso and Faletto, 1979; bornschier, 1996). All these led to the dependence on foreign capital while capital resources were so drastically limited, the need for them was very great especially in the infrastructural development to aid exploitation. The lack of domestic capital resources on the one hand, and the pressure for investment capital on the other hand, made Third World colonial economy to be highly dependent (Nwankwo, 2001)

The ties of financial dependence are strongest in countries where the financial systems and by extension the monetary and credit policies are under the control of Multi-National Corporations (MNCs). This form of dependence is a direct consequence of direct economic dependence as a result of colonialism. In such a situation, the Credit policies pursued by the foreign owners of capital will determine which sector(s) of development are promoted. Logically, foreign financial institutions will not promote sectors that are in direct competition with their own business monopoly. Basically, the investment and industrial policy of foreign financial institutions promote the development of department too, that is- production in the capital goods sectors as against consumptive production (Amarachi, 2005).

Direct financial dependence was very obvious during the colonial period. However, after independence, a milder but a more enduring form of financial dependence is the one which ties the currency of the under developed countries foreign exchange. Dependence is also related to the structure of foreign trade, in the area of international trade as it is only logical that any country that buys or sells most of its export or imports in the traditional metropolitan market will be in a position of dependence in matter of foreign exchange (Cordoso and Faletto, 1979; Bornschier, 1996). Once there is a close relationship between two countries then the charging in the foreign exchange position of the dominant countries will make themselves felt in the dependent (Amin, 1976).

Furthermore, an increasing important form of financial dependence are at the same time the principal means by which neo-colonial relations are maintained- through the loans and grants that are received either bilaterally or multilaterally. As a result of the inadequacy of internal accumulation, the narrowness of the domestic market and lack of domestic capital the unfavorable terms of trade and profit repatriation of foreign monopoly. The underdeveloped countries usually need substantial financial resources for financing their development projects, compensating for budget deficits and offsetting advance balance of payment deficit.

It is also notable that most loans are given in support of sector that are not productive while in return for this loans and grants, the third world countries tie to the question of loans in the rate of amortization; that is- the repayment period.

Another problem is that those interest rates are not fixed, hence, the increase in interest lead to an increase in the principal and interest paid. Similarly, the loans are always repaid in the currency of the donor country with all the implication for exchange rate. The third world countries also face the continuation of currency devaluation (Cordoso and Faletto, 1979; Bornschier, 1996).

In the light of the foregoing, as long as third world countries continue to face the problem of profit repatriation, narrowness of domestic market, high rate of deficit as a requirement of socio-economic challenges, they will continue to look for loans and grants with the attendant consequences of remaining perpetually dependent on the advanced capitalist countries.

Technical Dependence

This is one of the most critical forms of dependence of the colonial economy. Colonial Africa for instance depended on the capitalist West for virtually all her technology. This put the colonial economy in a position that can be described as a producer who has no instrument of labor. Such a producer is not only helpless but totally at the mercy of those who are in a position to give her the instrument of labor.

This structure of dependence refers to the dependence on intellectual imports either in their materialized form or in their live form, that is- either as importation of products and finished goods, patents or in terms of the reliance on technical expertise, import advisers, teachers, etc.

In the area of technological transfer, the dominance over products, licenses, patents and markets ensure that developing countries produce goods and the specifications and permission as stipulated by developed country. In many cases, industrial establishments are set up as compliments to the Industries of metropolitan countries. In this case, the management of these industrial firms is still in the hand of expatriates while indeed, the lack of autonomy in the production of knowledge ensures intellectual and cultural dependence. In some cases also, one of the strategies adopted by the Third World include Import Substitution Industrialization which depends on technological transfer. However, the success of this strategy depends on a lot of factors but most importantly the role of the state.

The argument about technical dependence has a number of strands, that the underdeveloped countries are forced to rely on western technology which is unsuited to their conditions in various ways especially through labor savings; that they cannot get access to western or advanced technology, except on prohibitive terms; and that the dynamism of the advanced capitalist economies plus their existing enormous technological lead is such as to keep them permanently ahead of the underdeveloped countries and thus, permanently dominating them. Technology has always been the basis of metropolitan monopoly. The underdeveloped areas have been unable to establish industries possessing at the same time the most complex and advanced technology. In that case, the basis of dependence today has shifted not to a new category, technology, but to a new more restricted group of capital goods industries (Kohler and Tausch, 2002).

Technological dependence underlies the exploitation of the colonial economies by the metropolitan economies. After independence, the pattern of technological dependence like other areas of dependence has not changed. For instance, African countries continue to rely on the industrialized capitalist countries for their technology. The failure to diversify technological dependence is a function of a highly monopolistic character of the technology market which the industrialized countries of the West enjoy an immense monopoly of world technology.

Health care system

Albeit the development of health care facilities in advanced societies of the world is not without technological inventions which aided in the discovery of new instruments used in the laboratories, operational exercises and other related areas dealing with clinical technology. The argument here is that, why the third world still rely on the advanced nations in terms of these health care facilities especially areas that have to do with modern technology. The less advanced societies still rely on traditional system of medication and what the western world has invented. It is also notable that even the traditional system is not well practiced as some of these practices are even dangerous for survival of the patients. We have seen of recent how west Africa, especially the Ebola stroke areas of Liberia, guinea and sierra Leon unmitigatedly relied on the western world for aid and technical assistance on how to curb the menace of Ebola.

Is also embracing that hospitals in the third world nations rely on western medicine even though many of such are counterfeit are their consumption poses a great threat to the lives of people. But such overdependence has opened a way for some people to produce substandard drugs for third world consumption. The implication is that, instead of solving health problems, more problems will be created and making health issues complex in the third world nations.

Defense system

Development is never obtainable without technological breakthrough hence in contemporary global economic system, almost everything hinges around technology. In every aspect of our living today, technology plays important role in keeping us together in an improved direction. The issue of international security and national defense system is also attached to technology. But we assume defense is a significant aspect on its own hence the extraction of the concept to independently stand on its own. Nations need to enforce laws and order to maintain internal sovereignty within their political domain, and need more power to defend itself against external aggression.

From the light and assorted weapons used by the police, canisters of teargas to dispersing rioters and protesters, fighter jets, armored tanks and sub-marines to mention but few, are all great outcome of technological breakthrough, which the third world nations rely on the west and America to provide this significant source of security.

The implication of weaker nations' dependence on the west for weaponry in their quest for maintaining national security is that, the west may decide not to sell the weapons to the third world nations and this may produce maximum level of insecurity and vulnerability to crime and invasion. This can be seen in American refusal to sell its weapons to Nigeria when it so desired to fight insurgency (Boko Haram) in north-eastern part of the country. The security issue will be at stake as a state does not have the power or the technology to invent weapons apart from the traditional warfare system (Sunkel, 1996).

Conclusion

There are uncountable areas in which the third world nations completely rely on the advanced capitalist nations of Europe and America, though we are witnessing the contribution of the emerging giants of Asia, how they are creating their own market in Africa, Latin America, part of Asia and the Caribbean. For example, the Chinese goods are almost everywhere not only in Africa, but sold in Europe, America, south America and other parts of the world. But Africa is only selling primary goods that are not manufactured or passed through industrial modification. Such goods include raw material from agriculture, oil and solid minerals.

The implication for this overdependence is that, the third world nations will continue to be dominated as they cannot determine the quality and price of goods and services to be consumed. The third world cannot compete with neither the western market nor the American or Asian markets. Overdependence on economic, technological, health, finance and healthcare facilities will invariably make the African nations beggers and aid consuming entities, without power to resist exploitative foreign policy or formulate independent political or economic policies for the development of their own nations.

Overdependence on western economy will continue to make Africa a provider of cheap labor for European companies at home and abroad. This will further create poverty, and leave Africans without alternative other than providing cheap labor for imperial and capitalist corporations.

Recommendation

Some of the major recommendations provided in this paper in order to curtail the level of African overdependence on Europe and America are as follows:

Africa and other third world nations must develop their local entrepreneurs who will in turn develop the manufacturing industries for at least domestic consumption and which will later get to the level of exporting to the foreign nations.

Africa and other third world nations must continue to adopt some protectionist policies, based on the mercantilist analogy, in order to discourage external economic domination and exploitation and there by developing the local industries,

African nations must embark on a drastic research and development effort, in which a huge amount of money be invested even if it has to do with collaboration with the outside world, but it must be home base.

Africa must also pay special attention to technical education. This must be supported by scholarships, establishment of new schools, further training and strong incentives to the students.

Africa must also go into partnership with nations that are ready to help for development. Such nations may include china, India, Russia and other European nations that are really ready to provide honest technological transfer or know-how.

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