

# **AFRICA'S INCORPORATION INTO THE WORLD CAPITALIST SYSTEM: THE SUBSTANTIVE FEATURES AND ISSUES**

**Ajayi, T.**

*Political Science Department  
College of Education, Ikere Ekiti, Ekiti State, Nigeria*

## **ABSTRACT**

*In the last decade of the 20th century, African scholars and patriotic leaders of the continent kept vigil and hoped for remarkable changes in the political economy of African States through what was popularly called the New International Economic Order (N.I.E.O). Similarly, in the first ten years of the new millennium, Africans waited eagerly for positive and favourable changes in the operational philosophy of the World Trade Organization (WTO), General Agreement on Trade and Tariffs (GATT) and International Labour Organization (ILO). These faithful years produced very little to excite or meet the aspirations of the developing nations. The question then is: have these cosmetic amendments really affected the economic fortunes of African States which were incorporated into the lowest rung of the world capitalist system? Can we say that the progress of countries like India, China, Malaysia and Indonesia from the under developed world into the class of fully industrialized nations, reflect the liberal changes to the operations of the world capitalist system? At any rate, an examination of the major features and substantive issues which still dominate the political economy of African States (of the 21st century) would clearly show if the developed nations of the north have removed the structural impediments and operational obstacles preventing Africa from deriving commensurate benefits from global capitalist system. Herein lays the motivation or essence of this study Africa's Incorporation into the world capitalist system: the substantive features and issues.*

**Keywords:** *Capitalist system, Africa's incorporation, substantive features*

## **INTRODUCTION**

Admittedly, there has been real progress in certain sectors of the Society, but today, many of these nations seem no better than they were 30 years ago. Indeed, some will argue that they are worse than before. Such arguments are not without support from empirical evidence gathered over the past three decades (Brady, 2001). Viewed from any perspective, there is no need denying the fact that any attempt to study the political economy of African States would take its reference point from the central and critical moment when Africa was incorporated into the world capitalist system. That singular phenomenon continues to determine and shape the developmental trajectory of the continent, ever since.

The socio-political well-being of each African State, as well as its economic growth, cannot be analyzed without casual or deep reference to this epochal occurrence. In an attempt to raise the principal issues involved in the incorporation of Africa into the world capitalist system, this study would delve briefly into historical reconstruction before itemizing the features and issues which still dominate the continental landscape, even in the new millennium. The latter parts of this work would be devoted to intrinsic arguments as conclusion and suggestions for elite consideration.

## GENESIS OF INCORPORATION

Walter (1990) and Lorraine (1989) have collectively and separately produced classical works which detailed the swift but inglorious entrapment of the continent into a system which, *ab initio*, was unknown to inhabitants of Africa. The incorporation started in the 16th century, just about the time when the steam engine was discovered which gave Europe the capacity to master the seas and oceans, as well as harness vast resources for industrial production. According to Walter, (1990) this was the period in world history when Europeans took initiatives of going to other parts of the globe to carry out trading activities. Given the advantage of superior ships and weapons, Europe entered Africa through the Mediterranean seas and Atlantic coast from North Africa.

The early realization by Europeans that gold and silver mines were not as plentiful as initially believed led the Europeans to a quick change from commodities to human captives which was later aptly called trans-atlantic slave trade. Invariably, massive industrial production and solid technological discoveries made slave trade unviable and perhaps too strenuous to continue. Production in Europe needed external consumption and new sources of raw materials to keep the factories running. Consequently, European Pastors (with Bible in hand) and colonizers started a new phase of relationship with Africans in the nineteenth century. The reality of colonialism, as a product of imperialism, forced the European capitalists to seek beyond their respective national boundaries, outlets for raw materials, markets and new investments.

In the particular case of Africa, the colonial era began formally in Berlin in 1885 and lasted in various forms up to the last quarter of the twentieth century when the apartheid system was finally dismantled in 1994, in South Africa. To all intents and purposes therefore, the colonization and direct subjugation of Africa by the Western imperialists marked the decisive and defacto integration of nascent African States into the global capitalist enclave. Ominously, it is the same process (now called neo-colonialism) that is being deepened in the post-colonial era to further plunder and exploit the natural potentials of the continent, to sustain the factories of Europe and the opulent life-style of the former slave masters, even after the attainment of flag-independence.

## FEATURES AND ISSUES EMANATING THERE FROM

### *Constricted and Distorted Development*

Up till the 15th century, no part of human globe appeared to be superior in development and social management. As several authors have pointed out, Africa, as a whole, was experiencing some form of socio-economic development before the advent of the Europeans. Moreover, Africa had made significant progress, compared to other parts of the world, in the areas of culture, technology, food production, trading and political organization. (Azarka, 2001) She was also not far behind in water transportation, weaving, weaponry, iron-smithies, ornamentation and vineyard. However, the point being made here is that as soon as Africa was drawn into the orbit of European capitalism, a major distortion, dislocation and constriction occurred in the developmental trajectory of African societies which effectively blocked and halted her autonomous course of development.

That, unfortunately, is still true till today. Ever since, Africa has had to attempt a "catch up" with Europe to resemble developing countries and to possess what they possess. But the dilemma really is that whoever transmits a development, transfers along with this a set of ideas, a mode of thinking, specific skills and a certain authority which the recipient of imported development is obligated to observe according to necessities imposed from without (Pisani, 1999).

The protracted recession in the global capitalist system of the early 21st century has fully shown that African economies were integrated into the global capitalist structure to play supportive ancillary and unequal service. With such integration, Africa lost its focus and path of authentic indigenous development.

### ***Continuous Disarticulation of African Economies***

The disarticulation of the African economy happened *pari pasu* with the blockage of the original path of African development. The blocking and the disarticulation were like inseparable Siamese twins occurring simultaneously to thwart regional transformation within the continent. The process started during the colonial era with the transformation of local economies from the production of food crops to cash crops for export to Europe. This development has ensured that economic activities, during colonial period and even after independence, are geared towards serving external imperialist needs, than those of the local producers.

It has also led to the peripheralisation of Africa in that virtually all the African economies are mere producers of primary commodities and consumers of refined finished goods. Thus, the underlying cause for concern is that with prevailing economic status, African States have become greatly incapacitated from the stand point of self reliant development. Eleven years into the new millennium, African States have not been able to diversify such economic production for Europe or even completely jettison the system by producing local needs for local consumption.

### ***Unequal Exchange***

This iniquitous process continues unabated and unrectified; manifesting itself at two levels in the trade relations between African states and the colonial masters. On the one hand is the fact that primary goods which can only be produced seasonally are bought by the Europeans at prices dictated by the buyers while refined finished products are again sold at prices dictated by the developed North. This process has been dissected to include both manipulation of and discrimination against labour. Even with the setting up of trade group cartels to press for improved prices, the relentless power of superior technology and organization appear to have neutralized the minimal gains anticipated from such cartels. In short, the advanced capitalist countries continue to set the prices for Africa's agricultural and mineral products and subject them to perennial price reductions while maintaining high prices for finished products.

### ***The Exploitations of Multi National Corporation (MNC)***

A salient and recurring feature of the world capitalist system in Africa is the brazen dominance and frightening political connectivity of the Multi-National Corporations. In truth, these

corporations predated 1945 but they gained meteoric influence and vast expansion after the Second World War when they were used as vehicles for transfer of capital and technology to revamp war, torn European cities and economies. In the case of Africa, because of their imperial monopoly of capital, technology and global linkage, these corporations had a field day in plundering the continent's cheap labour, market and raw materials and subsequent maximization and repatriation of profits to their home countries.

Between the 1960s and 1990s, abundant evidence exists to implicate the Multi National Corporations in political atrocities ranging from assassinations of State leaders, political destabilization of States, installation of puppet regimes considered favourable or easy to manipulate, importation and payment for mercenary activities in central, east and southern African States and outright instigation of bloody wars in several parts of Africa. Multi National Corporations remain implicated in the unfortunate and unresolved cases of Patrice Lumumba, Milton Obote versus Idi Amin, Kwame Nkrumah, Jonas Savimbi, the Rwanda debacle, the dark years of Liberia under Samuel Doe and Charles Taylor and the elimination of Thomas Sankara, to mention just a few cases.

It is now established that MNCs in Africa have active economic and political fronts, each front tailored towards the plundering of the resources of the new African States and the belittling of the political decisions of these States. In the last twenty years, these MNCs have had to work closely with the Bretton Woods industry to continue the manipulation and subjugation of African economies through the instrumentalities of loans, aids, debt management and promotion of irresponsible rogue leadership in many states of Africa.

### ***The Coercive Might of The Bretton Woods Institutions***

All over Africa, there is no nation that can claim reasonable independence or non-interference from the World Bank, the International Monetary Fund (IMF), the International Finance Corporation (IFC) and the International Development Agency (IDA). In many African countries, these global capitalist agencies have control over the central banks and finance ministries. The domination and control of the Bretton Woods institutions have now reached an alarming stage since African States rely absolutely on these financial institutions for necessary finance and capital to meet their developmental needs. These pivotal capitalist institutions are not satisfied with merely issuing out guidelines for financial aids and recovering debts. They appear to want to be involved even in the use of the loans and in dictating to State governments' areas of development priorities.

The debt crises being faced by African countries have become new avenues and means of siphoning extra cash to the developed North from the developing nations of Africa. In both Kenya and Ethiopia (2006), these two countries repatriated an alarming 65% of their respective GDP to Europe for debt service. In both cases, officials of IMF were on the desks of foreign trade in the central banks of the countries. Nowadays, the IMF is not only proposing and imposing harsh, anti/self-reliant policies on African states; it is now physically involved in administering the bitter killer pills on the dying nations of Africa.

### ***Corrupt, Weak and Bankrupt Ruling Elite***

Perhaps, the greatest fall-out of Africa's incorporation into the world capitalist system is the nurturing and emergence of self-serving ruling political elite in the continent. All over Africa, the new indigenous ruling classes that sprang up after independence turned out to be made up of sons and daughters of those who actively collaborated with European exploiters and colonizers. Indeed, the modern day Kabiyesis, Emirs, Obis and Igwes of Nigeria are direct descendents of the Warrant Chiefs who were used by the foreigners to terrorize the local people into submission, docility and compliance.

A class of unpatriotic and morally bankrupt African leaders emerged to replace foreign exploiters, a class that easily compromised national interest for selfish personal gains; people who readily colluded with the international bourgeoisie to continuously impoverish and ravish African States. One of the most disturbing features of the African Political elite is the absence of discipline and courage necessary for the hard task which could have taken Africa to the path of real development. Visionary leadership is in short supply, all over Africa.

### ***Deformed Labour Movement***

Marxian hopes of a vibrant international labour movement capable of confronting capitalist injustices finally collapsed in 1989 and the plight of African Labour Organization became even more pitiable than before. The inability of Labour to project, protect and methodically articulate the interest of African worker had been noted even before the turn of the century. Labour has become mere agitators for salary improvement, unable to study the objective conditions of abuse and misuse of African workers. In the new millennium, intra-state labour unions have lost their visibility, and conscience because of the process of globalization. Labour is in crises with itself and with other proletariat groups like the mass-media and the unorganized artisans. Labour is in retreat, the left is in disarray! Indeed, it is sad to note that while the crises of mass poverty and defective leadership are ravaging Africa, the revolutionary forces of labour and the brilliance of the Ivory Towers are at large (Osuntokun, 1998).

### ***The Clamour for Direct Foreign Investment***

All over Africa now, the clamour for direct foreign investments has taken a new turn. Africans States are lowering their guard and virtually begging Europeans to come back and set up shop in the continent. Technology transfer has failed while the other obnoxious policies like import substitution, structural adjustment programme (SAP) and currency deregulation have produced mirages, at best. African nations are bending over backwards and giving unbelievable incentives to foreign owners of capital and technology to come to Africa and invest. In the beginning, Europeans came surreptitiously at night with Bible in the hand and ended up doing incalculable damage to Africa. Now, African leaders are welcoming foreigners with red-carpet treatment. This second coming promises to be more damaging than the first, for the forgetful continent.

The huge expectations generated by the so called new international economic order of the 1990s and the loud noise over a reworked trading order in the new millennium

produced minimal gains for Africa. The inclusion of Africa into the world capitalist system, with obvious disadvantages, remains unchanged and unredressed. The oppressive system appears to have locked Africa permanently into a subservient position of producing agricultural and mineral products for the West, in perennial service of the foreign factories and at ridiculously, low uncompetitive prices. In its full exposure, this process compels Africa to be dependent and guarantees the non-diversification of the base of our economy. To make matter worse, the global recession forces those with weak economic structures to feel the negative impact of the recession more than others.

The colonial impositions of the past and the impervious political operations of the multinational corporations in Africa acted in concert with Bretton woods institutions to bequeath on Africa a political leadership that is bereft of ideas, lacking in spiritual characters of discipline, courage and wisdom and therefore, unable to seriously face the arduous task of governance. The military and the other forms of dictatorships which have dotted the entire geography of Africa have weakened the internal structure of hope and political vibrancy to the extent that all such forces are comatose, in disarray or at large. In the absence of peoples' police, other sectors like the academics, human rights groups and the mass-media which should have provided alternative ideas for development, are now passive and only engaged in the battle of survival and relevance, in this new age of globalization.

In the new millennium, the current wave of democracy blowing across Africa as well as the renewed passion for transformation and modernization of African States have produced a bizarre rivalry amongst African States, for direct foreign investment from old and newly industrialized nations of the world. Fantastic favourable conditions are being conceded to the would-be investors to entice them to the continent. The security risks of this approach notwithstanding, Ghana and Kenya appear to be most favoured today in this new field of competition, perhaps because of the relative stability or security within the countries. This unrestricted and uncoordinated invitation to foreigners may end up leading to new forms of physical occupation of mother Africa, more so when over fifteen States have handed over their Central Bank functions to European creditors of questionable integrity and pedigree. The bottom line is that dubious and embarrassing policies, capable of leading to neo-enslavement of the blacks are being pursued by the discredited political leadership supported by their international confederates in London, Lisbon, Paris and the like.

## CONCLUSION

From the preceding discourse, it is obvious that the landscape of political economy in Africa, even in the 21st century, remains as daunting as ever. It is easy to infer that Africa became an endangered continent the moment she was incorporated into the world capitalist system. Subjugated by imperialism, continuously and jointly raped by its domestic ruling elite and the international bourgeoisie, incapacitated by inchoate revolutionary forces, Africa is being rapidly left behind by other continents forcefully and relentlessly determined to achieve full industrialization and total modernization of their societies.

However, our consolation and hope come from the facts of history and reinforced

by archeological discoveries: Africa's time shall come. The red Indians produced the Aztek civilization. The Egyptians produced the Pharoaic civilization. The Greeks, Romans, Persians, Turks and English have all had their moments in the sun. Logic and common sense compel us to be hopeful. The orientals are about taking over from the Yankees! Our time will come, but when?

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