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POL 431: THIRD WORLD DEPENDENCY AND DEVELOPMENT

What is Imperialism?

Imperialism is the highest of capitalism. In other words, capitalism transcended into imperialism. Babatola et al (2012) describes imperialism as a political and economic ideology of Western Europe in the 19th and 20th centuries employed to justify the economic and political activities of the western nations across their borders.

Phases Of Imperialism

i. **Mercantilist Imperialism:** This was anchored to the feudal mode of production and based on feudal merchant capital in Western Europe, until about the middle of the 18th century. Essentially, it involved the enslavement, colonisation and plunder of underdeveloped states and expropriation of European peasants. It also rested on unequal trade between Western Europe and underdeveloped states.

ii. **Free Trade Imperialism:** Free trade imperialism emerged after the Industrial Revolution in Britain in the epoch of industrial capitalism. The dominant motive was to raise the profitability of mass production through cheaper sources of raw materials and food, as well as lucrative markets for manufactured goods. This required free trade for greater exploitation. Adam Smith and David Ricardo provided the ideological and intellectual rationalisation for it. This era lasted until about the 1870s.

iii. **Monopoly or Corporate capitalism:** Monopoly or corporate capitalism was based on finance capital. The merger of bank and finance capital coincided with the centralisation and concentration of enormous capital in a few hands, requiring capital export, monopoly combines, multi-national corporations and the division of the uncolonised world.

iv. **Multilateral imperialism:** This also refers to contemporary phase of imperialism. It is marked by U.S.A. hegemony in the effort to deal with the worsening of capitalist contradiction after the World War II. This new imperialist strategy has involved the dissolution of bilateral colonial markets under an

open door policy requiring the re-division of the world since the U.S. was excluded in the earlier partition.

Basic Of Economic Features Or Characteristics Of Imperialism As Propounded By Lenin

i. **Concentration of production and capital:** Here, there is high concentration and centralisation of production and capital to a high stage to the extent that it has produced monopolies which play the decisive role in the economy of the world.

ii. **The fusion/merging of banking capital and industrial capital.** And the creation, on the basis of this financial capital to form financial oligarchy. While there is room for different interruptions of the relationship between industry and the banks, and for discussions about where control really lies-this can only be settled by empirical enquiry-dominant role of a recognisable financial oligarchy can hardly be questioned.

iii. **The export of capital**. This is distinguished from the export of commodities acquires exceptional importance and dominance. Here again, the role of export of capital from the U.S.A in particular has been fundamental importance in the development of capitalism in recent decades.

iv. **The formation of international capitalist monopolies.** Which shared the world economy among the strong economic power of the world bringing about cartels, syndicates, etc.

v. **Territorial division of the world**. This was completed by the creased capitalist power on a global scale. The climax of this was the Berlin Conference of 1884-85, where the territorial division of the world among the major capitalist powers was completed.

Characteristics and Dimensions of Globalisation

i) The emergence of the Trans-National or Multi-National Corporations (T/MNC) as the major agent for the worldwide expansion of private capital and the capitalist market. This has brought about a fast growth in trade by transnational and multinational corporations.

ii) It organises increasingly integrated economic and financial activity across national borders and produces, sources and markets its raw materials and products worldwide in its unceasing quest for competitive advantage. This has enhanced rapid growth in international financial transactions propelled by

surge for Foreign Direct Investment (FDI) largely controlled by the Multinational Corporations (MNCs) thereby creating a global market.

iii) Communication Revolution. This revolution makes possible both the speedy and safe transportation of goods and money to all corners of the world and an instantaneous all-day and all night communication from one end of the world to another. The diffusion of technologies and ideas through trade expansion of globalised transportations and communication. These have been facilitated by production and finance.

Fundamental Principles Of Governance That Should Guide A Process In The Pursuit Of Development Goals

i. **Accountability:** Accountability implies probity, efficiency and effectiveness in resource management, public goods and service delivery. It also refers to government responsibility to explain its activities and responsiveness to the needs and values of its citizens.

ii. **Transparency:** Transparency is about openness to public scrutiny and clarity in the decision making process in a government. It often refers to various measures of public information disclosures and access such as freedom of information acts and administrative procedure acts.

iii. **Rule of law:** Rule of law concerns the consistency, predictability and transparency of the law. It means that a country's formal rules and regulations are known to the public, equally applied to all citizens, and enforced in a predictable manner through transparent procedures.

iv. **Social equity:** Social equity implies the fair, just and equitable management and distribution of public services and resources. It also means that government and its services should treat all people, groups and regions regardless of age, gender, cultural or ethnic backgrounds as equals.

v. **Participation:** Participation is another key element of good governance. It implies citizens' engagement and empowerment in the decision making process. It underscores that everyone has fundamental rights to be recognised and their voices heard in policy making and implementation process. Participation is critical to improving efficiency, effectiveness, and sustainability of public service delivery and development projects.

Briefly define the concept of Third World

Third World nations: refers to people who were not allowed to participate or benefit from the industrial revolution despite the fact that the sweat and blood of these people

became the human slab on which the foundation of the Industrial Revolution was laid.

Outline and discuss four characteristics of the Third World Countries

Economic indicators include: A high proportion of the population in agriculture and over population in agriculture where it is possible to reduce the number of workers in agriculture and still obtain the same total output; considerable disguised unemployment; very little capital per head; low income; low savings; major proportion of expenditure is on food; export of raw materials; low volume of trade; poor credit facilities and poor housing etc.

Demographic indicators include: high fertility rates, high mortality rates; poor nutrition; and poor hygiene.

Cultural and political indicators include: High degree of illiteracy, child labour, wide gap between the rich and the poor, women occupy inferior status, predominance of traditional values; and, political instability.

Technological indicators include: low technology in agriculture, low technology in industry; and crude technology.

Modernization theory: is a description and explanation of the processes of transformation from traditional or underdeveloped societies to modern societies. It refers to a model of a progressive transition from a "pre-modern" or "traditional" to a "modern" society. Modernisation represents a change in values, behaviour or attitude of a society towards the direction of developed societies.

Basic Postulations Of The Modernisation Theory

i) Within the modernisation theoretical prism, the Third World countries (TWCs) can never developed because their traditional values, norms, behaviours and institutions are antithetical to development;

ii) The theory believes that the yardstick and standards of development of the TWCs are developed countries of America and Europe;

iii) Modernisation theory argued that the TWCs, would and should follow a path of political and economic modernisation paralleled to the one first travelled by the Advanced Western nations. To achieve, they insisted that TWCs had to acquire modern cultural values and create modern political and economic institutions.

iv) They see development as internally induced due to atavistic and incompatible traditions and institutions.

v) Finally, transforming the traditional cultures was seen as the first step in the modernisation process.

What Is Third World?

Third World; refers to people who were not allowed to participate or benefit from the industrial revolution despite the fact that the sweat and blood of these people became the human slab on which the foundation of the Industrial Revolution was laid.

What is Development?

According to Walter Rodney (1972), Development is a many-sided process implying for the individual, skills and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being. The process involves the development of tools, skills and the mobilisation of required resources for development purpose.

What Is Underdevelopment?

Underdevelopment is a state of economic dependence, presence of high rate of poverty, unemployment, illiteracy, mortality, infrastructural decay, educational decay, technological dependence etc as a result of bad governance.

What Is Dependency?

Dependency refers to the situation that the history of colonial imperialism has left and that modern imperialism creates in underdeveloped countries.

Concept of Corruption

Corruption: corruption in general involves money laundering, theft of intellectual property and piracy, embezzlement, bribery, smuggling, looting including all sort of corrupt practices, illegal mining, illegal arms deal, human trafficking, and child labour, tax evasion, foreign exchange malpractices including counterfeiting to currency, open market abuse, prohibited goods, wastes, and dumping of toxic.

According to Khan (1996) Corruption is any act which deviates from the rules of conduct, including normative values, governing the actions of individuals in a position of authority or trust whether in the private or public domain, because of private-regarding motives (that is nonpublic or general) such as wealth, power status, etc….

Obasanjo, (1995) asserted that corruption as an anti-social behaviour conferring improper benefits contrary to legal and moral norms, and which undermines the authorities capacity to secure the welfare of all citizens. Corruption is, therefore, the phenomenon that contravened the normal legal convention and shortcuts the benefits of many entities for few individuals.

Ways Corruption Has Threatened Sustainable Development In Nigeria/ Third World Countries

i). Loss of public trust and legitimacy by the government

ii). Erosion of values of hard work and integrity.

iii). Low foreign investment because of corruption induced bureaucracy and other obstacles.

iv). Non-institutionalisation of democracy, rule of law, human rights and Economic development.

v). Perpetuation of patron — client relationships that undermine democracy, efficiency in public and private sectors.

vi). Misallocation of resources towards programmes and projects amenable to corrupt practices.

vii). Leakages of national assets to foreign countries through money laundering and conspicuous consumption.

Highlight the four basic postulations of the dependency theory

(i)Identification of underdevelopment with the expansion of industrial capitalist countries;

(ii) The view that development and underdevelopment are parts of a united system;

(iii) The conception that underdevelopment is a persistent natural condition, not a temporary, precapitalist, state; and

(iv) Agreement that dependence affects internal politics, society and culture. It is the contention of Frank (1967) Dos Santos (1970) and Amin (I976) that the prevalent state of underdevelopment in the LDCs is a consequence of an international historical process which involved the formation, expansion and consolidation of the capitalist system.

Analyse the underdevelopment and dependency of the Third World Countries using the dependency theory.

i. that capitalist development in Latin America is impossible;

ii. that dependent capitalism is based on the extensive exploitation of labour and tied to the necessity of underpaying labour;

iii. that local bourgeoisie no longer exist as an active social force;

iv. that penetration by multinational firms leads local states to pursue an expansionist policy that is typically sub imperialist; and, v. that the political path of the sub-continent is at the crossroads with the only conceivable options being socialism or fascism.

In Africa, capitalism 'found its root through imperialism that was shrouded in the garment of colonialism.' Explain.

The colonial authorities used the instrumentalities of colonial rule to create conducive political and economic environment for capitalist mode of production to strive in their colonies.

Prominent merchandise from the metropol used the leverage of colonialism to achieve their

imperialistic tendency in the colonies, Nigeria inclusive.

Succinctly explain the term: Monopoly capitalism

Monopoly capitalism is used to indicate the passage of capitalism from its earlier stage of more or less free competition to one in which giant firms, trusts and cartels dominate the market. The expansion of production tends to go hand in hand with a rising organic composition of capital.

Examine the three features of monopoly capitalism

Concentration of production and capital: Here, there is high concentration and centralisation of production and capital to a high stage to the extent that it has produced monopolies which play

the decisive role in the economy of the world.

The formation of international capitalist monopolies: Which shared the world economy among the strong economic power of the world bringing about cartels, syndicates, etc.

Territorial division of the world: This was completed by the creased capitalist power on a global scale. The climax of this was the Berlin Conference of 1884-85, where the territorial division of the world among the major capitalist powers was completed.

Globalisation leaves African and other Third World economies in a weak competitive position. Advance two reasons for this.

a) Lack of required degree of sophistication on the part of the managers of emerging financial

markets to match those of their counterparts in the developed countries.

b) Inferior levels of technological development as computerisation; and poor infrastructural

facilities for banking (financial) operation compared to what obtains in the industrialised

economies and even in the emerging or transitional financial markets in developing Asian and

Latin American countries (Lamido,2009).

Identify and extensively discuss the two cardinal tools of globalisation

(i) Trade: Trade has always been a major force of economic integration. Opening up of new markets have always been a moving force in global expansion of the world economy. This is why contradictions were engendered in the capitalist system in the Western Europe and competitive capitalism became monopoly capitalism, the capitalist had to look for markets outside Europe. This led to imperialism and later colonialism. That is why Ake (1991:52) argues that, in the early years of colonialism, trade was the vehicle for extending capitalism into the colony.

(ii) Information Technology: The fact that the world is currently experiencing phenomenal changes in social, political, economic and technological spheres cannot be disputed. One fundamental instrument for this increasing transformation is technology, especially computer. Technology and the evolution of low cost, global communications system which constituted major challenges that will dominate and fundamentally shape developments in the 21 century, particularly in the economic and financial sectors.

(Usman, 1999). The revolution in computer technology, has led to advancement of information

technology, which has in turn enhanced the level of information transmission and business transaction across the global system. Indeed the revolution change that have occurred in computer technology since the better part of the 20th century have brought about tremendous improvement in all of human Endeavour.

Mention and explain the four forms of dependence

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

Trade Dependence: The colonial economies of the Third World countries depended primarily on the metropolitan countries which colonised them for their external trade. This dependence reflected in the exploitative structural integration of the colonial economies to the capitalist system of the metropoles.

Trade dependence: is a logical outcome of direct economic dependence in that the colonial powers become the major trading partners of their former colonies.

Financial Dependence: This form of dependence is a direct consequence of direct economic dependence as a result of colonialism. In the early days of colonisation, 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.

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 labour.

Trade dependence reinforces the underdevelopment and dependency of the Third World countries. (Discuss)

The colonial economies of the Third World countries depended primarily on the metropolitan countries which colonised them for their external trade. This dependence reflected in the exploitative structural integration of the colonial economies to the capitalist system of the metropoles. Trade dependence is a logical outcome of direct economic dependence in that the colonial powers become the major trading partners of their former colonies. Similarly, 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 colonising powers and their Western allies for trading activities. The consequence of the emphasis on export of primary products is that they are unable to feed themselves and it further inhibits development of economic diversity. The TWCs also lack diversification and this renders them quite vulnerable to such external shocks as fluctuations in world commodity prices and even climate change. There is also potential danger for TWCs to be further marginalised in the multilateral trading system should they fail to implement their World Trade Organisation (WTO) agreements effectively.

Explain the basic arguments of the dependency school

i) The dependency scholars rejected the claim that the TWCs could follows the same path to development as Western nations had because the advanced industrialised nations changed the landscape for those that followed them. When Britain became the world's first industrial power, it faced no external economic competition; today; however,

newly industrialising countries must compete against such well established industrialised giants as the U.S, Japan, Germany, etc. As Dos Santos added:

TWC will have to borrow from financial capital and purchase advanced technology from the developed countries, thereby making them dependent on external economic forces beyond their control and weakening their development.

ii) They also argue that while modernisation scholars view western influence in the TWCs as beneficial, because it spreads modern values and institutions, dependency theorists maintain that Western colonialism and economic imperialism themselves initially turned Africa, Asia and Latin America into sources of cheap labour, food and raw materials for the colonial powers.

iii) Underdevelopment and dependency is not the TWCs' fault but rather the result of foreign domination and exploitation. Hence, TWCs' backwardness is due to exploitative and unequal relationships that exist between the TWCs and the developed countries. Consequently, the underdevelopment of the TWCs, is as a result of the dependence on the developed countries who exploit them and their resources for selfish development of the developed countries.

iv) They recommend that if these unequal and exploitative relationship continue, TWCs will remain backward except they severe the link either by delinking or breaking away the relationship with the advanced countries.

Enumerate definitions of underdevelopment according to Alanana (2006), Gundre Frank (1968) and Frank (1969). explain what these definitions implies

According to Alanana (2006:5) underdevelopment is a process in which a country has not sufficiently developed. This status of insufficient development, he added, was acquired under certain historical circumstances. These historical conditions includes centuries of slavery, colonialism and neo-colonialism. **According to Frank (1969)** underdevelopment refers to an active process of distortion, characteristic of the relatively modern fate of the Third World, and hence in no way to be equated with tradition or any sort of original state.

Underdevelopment: is a state of economic dependence, presence of high rate of poverty, unemployment, illiteracy, mortality, infrastructural decay, educational decay, technological dependence etc as a result of bad governance.

<u>The above definitions imply that:</u>

i) there exists a link or relationship between the Capitalist Industrialised Countries and the Third World Countries

ii) economic links between the Advanced Capitalist Countries and the Third World Countries are structurally and historically developed and has conditioned the Third World Countries to be perpetually dependent on the Advanced Countries.

iii) it also implies underdevelopment could be as a relationship between governance politics and economy

Identify and discuss the various phases of imperialist capitalist system.

i. **Mercantilist imperialism.** This was anchored to the feudal mode of production and based on feudal merchant capital in Western Europe, until about the middle of the 18th century. Essentially, it involved the enslavement, colonisation and plunder of underdeveloped states and expropriation of European peasants. It also rested on unequal trade between Western Europe and underdeveloped states.

ii. **Free trade imperialism.** Free trade imperialism emerged after the Industrial Revolution in Britain in the epoch of industrial capitalism. The dominant motive was to raise the profitability of mass production through cheaper sources of raw materials and food, as well as lucrative markets for manufactured goods. This required free trade for greater exploitation. Adam Smith and David Ricardo provided the ideological and intellectual rationalisation for it. This era lasted until about the 1870s.

iii. **Monopoly or Corporate capitalism.** Monopoly or corporate capitalism was based on finance capital. The merger of bank and finance capital coincided with the centralisation and concentration of enormous capital in a few hands, requiring capital export, monopoly combines, multi-national corporations and the division of the uncolonised world.

iv. **Multilateral imperialism.** This also refers to contemporary phase of imperialism. It is marked by U.S.A. hegemony in the effort to deal with the worsening of capitalist contradiction after the World War II. This new imperialist strategy has involved the dissolution of bilateral colonial markets under an open door policy requiring the re-division of the world since the U.S. was excluded in the earlier partition.

Characteristics of Lenin's Theory of Imperialism

i. Concentration of production and capital. Here, there is high concentration and centralisation of production and capital to a high stage to the extent that it has produced monopolies which play the decisive role in the economy of the world.

ii. The fusion/merging of banking capital and industrial capital. And the creation, on the basis of this financial capital to form financial oligarchy. While there is room for different interruptions of the relationship between industry and the banks, and for discussions

about where control really lies-this can only be settled by empirical enquiry-dominant role of a recognisable financial oligarchy can hardly be questioned.

iii. The export of capitals. This is distinguished from the export of commodities acquires exceptional importance and dominance. Here again, the role of export of capital from the U.S.A in particular has been fundamental importance in the development of capitalism in recent decades.

iv. The formation of international capitalist monopolies. Which shared the world economy among the strong economic power of the world bringing about cartels, syndicates, etc.

v. Territorial division of the world. This was completed by the creased capitalist power on a global scale. The climax of this was the Berlin Conference of 1884-85, where the territorial division of the world among the major capitalist powers was completed.

Distinguish five fundamental mechanisms of imperialism in its different phases.

1. **Violence.** Violence, both overt and covert, has been the crudest and most pervasive of these mechanisms. Slavery, military subjugation for direct colonialism and gunboat diplomacy, or open militarism or its threats have been the commonest expressions of the mechanism of violence in imperialist domination.

2. **Trade.** Trade is the second critical mechanisms and has been employed throughout the different stages of imperialist development. Both unequal exchange and the exploitation implicit in imperialist trade have been employed under this mechanism.

3. **Foreign direct and portfolio investment.** Foreign direct and portfolio investment or capital export is the third mechanism of imperialist domination and development. With the emergence of giant Multi-National Corporations since the latter period of monopolistic imperialism, surplus appropriation from abroad, rather than capital export has been the new mechanism based on finance capital.

4. **Aid.** Aid in cash or kind, including technical assistance, either bilateral, intergovernmental or through an international agency, has been a very powerful mechanism of foreign domination and exploitation, especially since the era of multilateral imperialism. The imperialist elements include its use as an instrument for penetrating a foreign country; the political strings under which it is untimely granted; the foreign technical domination.

5. **International institutions.** International institutions such as IMF and WB have been manipulated to achieve imperialist goal. The lending policies of these agencies have been criticized for tricking less developed countries into a debt trap exploiting them

through bogus loans and financial guides, imposing non-viable capitalist development strategy.

Characteristics of dualism

i. The existence of two sets of conditions- both modern and traditional institutions. For example, we have a highly developed modern economic sector coexisting with a traditional economic system.

ii. The coexistence is permanent and not transitional. The difference in development between the two sectors is not a temporary thong which can be removed over night.

iii. The gap between the two sectors is widening. The degree of superiority or inferiority is on the increase. For example, the gap between advanced industrial countries is developing and does not show any sign of diminishing.

iv. The backwash effect. This characteristic implies that the interrelations between superior and inferior elements are such that the existence of the superior or advanced capitalist countries retard the development of the inferior- the Third World countries.

Briefly describe the characteristic and dimensions of globalisation.

i) The emergence of the Trans-National or Multi-National Corporations (T/MNC) as the major agent for the worldwide expansion of private capital and the capitalist market. This has brought about a fast growth in trade by transnational and multinational corporations.

ii) It organises increasingly integrated economic and financial activity across national borders and produces, sources and markets its raw materials and products worldwide in its unceasing quest for competitive advantage. This has enhanced rapid growth in international financial transactions propelled by surge for Foreign Direct Investment (FDI) largely controlled by the Multinational Corporations (MNCs) thereby creating a global market.

iii) Communication Revolution. This revolution makes possible both the speedy and safe transportation of goods and money to all corners of the world and an instantaneous all-day and all night communication from one end of the world to another. The diffusion of technologies and ideas through trade expansion of globalised transportations and communication. These have been facilitated by production and finance.

On the dimensions of globalisation, there are basically three (3) dimensions of globalisation.

i. Economic globalisation

Economic globalisation is assumed to promote growth and development of the Third World, through the principle of free market economy, trade liberalisation, removal of subsidy, openness of economy for international competition, removal of trade barriers for other countries to penetrate and compete with local industries and firms, thereby bringing about efficiency and growth; devaluation of currency. Based on these, the International Financial Institution (IFI), donor agencies and advanced countries always impose political and economic conditionalities for Aids to developing countries. One the condition is democratisation which is designed to grant a peaceful trading environment for Multinational Corporations.

ii. Political globalisation

Political globalisation which is seen as external donor's political conditionality for aid is centred on democratisation and the promotion of liberal democracy. This liberal democracy is not quite different from capitalism and as such cannot address the development crisis of the third world countries.

iii. Information and Communication Technology (ICT).

The third dimension of globalisation is It propelled and spread the policies, events, ideas of globalisation to different part of the world. The ICT revolution brought speedy spread of the ideas of globalisation to different part of the world at a quick and short notice.

Briefly describe the situation of Africa at the dawn of the 21st century.

Available statistics on Africa at the dawn of the 21st century has shown that more than half of the population of Africa lives on less than US $1 per day. The mortality rate of children under five years of age is 140 per 1000 and life expectancy of birth was only 54 years. Only about 58 percent of the population have access to safe water, the rate of illiteracy for people over 15 years was 41 percent. Africa has less than 1 percent of global trade with business done more out of the continent than within. Above all, most of the sub-Saharan countries depend on foreign aid to make over 50 percent of their annual national budget.

In the light of the foregoing, it can be observed that the poverty and backwardness of Africa stand in stark contrast to the prosperity of Advanced Capitalist Countries. Africa's place in the global community is defined by the fact that the continent is an indispensable resource base yet the poorest continent. Talking about war and conflict in Africa, it has been observed that between 1960 when most countries of Africa got independence and 1998, there are about 32 civil wars fought with over 7 million lives lost.

State the Objectives of NEPAD

i) To eradicate widespread and severe poverty;

ii) To promote accelerated growth and sustainable development;

iii) To halt marginalisation of Africa in the globalisation process; and,

iv) To restore peace, security and stability.

For effective performance of the APRM, it comprises of the following structures:

i) APR Forum: It is the committee of the Heads of States and Governments of the countries voluntarily participating in APRM. It is the highest decision making body. They appoint the APR panel, overlook the funding, discuss the country's reports and apply the peer pressure and transmit the report to the relevant A.U structures.

ii) APR Panel: It is the management and executive arm of the APRM that directs and manages its operation. They are appointed to oversee the review process, to ensure the integrity of the process, to consider reports, and to make recommendations to the APR forum. It consists of seven persons.

iii) APR Secretariat: The secretariat provides all the secretarial, technical, coordinating and administrative support services for the APRM. The Secretariat is based in Midrand, South Africa, not far from NEPAD Secretariat.

iv) APR Country Review Team: They are appointed by the APR panel, one of whose members heads the team, and are constituted only for the period of the country's review visit. Their composition is carefully designed to enable an integrated, balanced, technically competent and professional assessment of the reviewed country.

v) APR Focal Point: This is a national mechanism set up by a participating country in order to play a communication and coordination roles. It serves as a liaison between structure and continental ones such as the APR Secretariat and the APR panel.

vi) National Coordinating Structure: Here, the actual implementation of the APRM at the national level happens.

Briefly define democratisation and mention some of its basic characteristics.

Democratisation: generally refers to a process of moving or a transition from an authoritarian system to a democratic political system. It embodies a transition, beginning with the dissolution of an authoritarian rule and consolidation for an enduring democracy. According to Nwabueze (1993), democratisation must involve concerted effort to instill

the spirit of liberty, democracy and social justice in the people.

Characteristics of Democratisation

i) Multiparty system under a democratic constitution having the force of supreme, overriding law;

ii) A complete change of guards and the exclusion of certain other categories of persons from participation in democratic politics and governments;

iii) A genuine and meaningful popular participation in politics and government;

iv) A virile civil society;

v) A democratic society;

vi) A free society;

vii) A just society;

viii) Equal treatment of all citizens by the state;

ix) The rule of law;

x) An ordered stable society;

xi) A society infused with the spirit of liberty, democracy and justice; and,

xii) An independent self reliant, prosperous market economy.

Waves of Democratisation

The first democratic wave (1828-1926) by far the largest began under the influence of the American and French Revolutions (as well as the Industrial Revolution) and ended not long after the end of World War I. Change was largely confined to Europe and to some few former British colonies.

The second democratic wave, much shorter wave (1943-1962) was precipitated by the struggle against fascism during World War II and the subsequent collapse of European colonialism in Africa and Asia. In this period, democracy was introduced to a number of Third World countries, but in most cases, the new governments at best only met standards of electoral democracy.

The recent Third wave (1974-date) is the most popular and has drawn our attention because of its pervasive and seemingly lasting reverberations in Third World countries. The third wave transitions were so dramatic in the former Soviet Union and its European Communist allies.

Five fundamental principles of governance

i) **Accountability**. Accountability implies probity, efficiency and effectiveness in resource management, public goods and service delivery. It also refers to government responsibility to explain its activities and responsiveness to the needs and values of its citizens.

ii) **Transparency**. Transparency is about openness to public scrutiny and clarity in the decision making process in a government. It often refers to various measures of public information disclosures and access such as freedom of information acts and administrative procedure acts.

iii) **Participation**. Participation is another key element of good governance. It implies citizens' engagement and empowerment in the decision making process. It underscores that everyone has fundamental rights to be recognised and their voices heard in policy making and implementation process. Participation is critical to improving efficiency, effectiveness, and sustainability of public service delivery and development projects.

iv) **Social equity.** Social equity implies the fair, just and equitable management and distribution of public services and resources. It also means that government and its services should treat all people, groups and regions regardless of age, gender, cultural or ethnic backgrounds as equals.

v) **Rule of law.** Rule of law concerns the consistency, predictability and transparency of the law. It means that a country's formal rules and regulations are known to the public, equally applied to all citizens, and enforced in a predictable manner through transparent procedures.

Discuss Foreign Aid and Third World Dependency

There is a dialectical relationship between aid from advanced countries and Third World dependency. For better understanding, we will start with a theoretical postulation by the dependency scholars on how foreign aid deepens Third World dependence.

Dependency as discussed in unit one of the first module of this course emphasises that the major decision which affect socio-economic progress within Third World countries are made by individuals, country and institutions outside those countries. It therefore implies a situation in which the economy of certain countries (TWCs) is conditioned by development and expansion of another economy to which the former is subjected. Dependency school, in response to the contention of modernisation school contends that the advanced countries have unjustly seized the wealth of the entire world for their selfish purposes. Hence, it argues that the over development of the advanced countries resulted from the underdevelopment of the TWCS. Dependency theorists therefore dismiss the claim that advanced countries programmes of agricultural and industrial technology,

population growth control, and foreign aid help TWCs. They contend that the advanced countries simply acts in pursuit of profits, selling technology is a means of making money; and foreign aid is money given to the ruling elites, not to the poor majority in exchange for maintaining a favourable business climate for the Multinational Corporation (MNCS). They added that, the advanced countries cooperate with the elites of the TWCs to grow and export suitable crops such as coffee and Cocoa while at the same time preventing the production of stables consumed by local population.

Foreign aid focuses on promoting certain changes in the Third World countries that will enhance donor countries' economic expansions and dominance. **This is done through the following ways:**

i. By encouraging reform in TWCs overall economic policies.

ii. U.S. works to dismantle laws and institutions that prevent free trade.

iii. They help to privatise state dominated economies. For instance, a $3 million aid to support privatisation in Indonesian energy sector led to a $2 billion award to an America firms for Indonesian first private power contract.

iv. Foreign aid encourages TWCs to create a business codes and the law as dictated by the U.S. It there by helps to create a stable business environment that donor country's business firms needs to operate.

v. It helps to create a new elite class of consumers in the TWCs. Having developed the appetite for western products, this very elite class is willing to drain their meagre foreign exchange to import those items.

Discuss the Third World and Debt Management

That most of Third World countries are heavily burdened by external debt is no longer news. What would perhaps be news; even good news is when these debts is adjudged efficiently managed, sustainable and promote development. But experiences over the years have shown that the management of these debts over the years has been weak and inefficient debt management has largely caused the debt problems to assume a burdensome dimension. **The Nigerian debt management just like other TWCs, for instance, has taken the following dimensions.**

i) Continued increase in the debt stock even when no fresh ones are contracted;

ii) Excessive borrowing in relation to weak profitability and poor export earnings;

iii) Inappropriate borrowing terms; and

iv) Inadequate information in the volume, composition, and maturity profiles of debts.

In addition, compounding the debt position of the TWCs is the poor and inefficient use of the loans, thus raising issues of poor governance and corruption. Most of the loans

which, were procured with unfavourable terms, were either diverted or utilised for projects that were unable to generate funds for servicing the underlying debt.

The most effective strategy for debt management today is debt forgiveness and or cancellation and productive investment of the faculties in a transparent, accountable governance environment.

Causes and Consequences of Democratisation and its Impact on Third World

A number of factors both external and internal contributed to the most recent democratic transition or democratisation process in the Third World countries. The economic crisis that devastated so many Third World countries in the 1980s, revealed that authoritarian governments were no more effective and no less corrupt and were often less efficient than the elected governments that they had earlier. Furthermore, because dictatorship lack the legitimacy that free elections bestows on democratic governments, their support depends much more heavily on satisfactory job performance. In Africa, the gross mismanagement and corruption of both military and single party regimes eroded their support rapidly. In Latin America, even though military rulers performed relatively well, the debt crisis of the1980s undermined their governments. Consequently, throughout the world, no sooner had democratic upheavals occurred in one nation than they spread quickly to neighboring countries. As the democratic tidal wave swept forward, some authoritarian leaders began to get the message and prepared for democratisation.

The end of the cold war also permitted the United States to be more consistent in its defense of democracy. That is to say that U.S had no reason to coddle friendly Third World dictators whose friendship it had previously cultivated in the struggle against Soviet communism.

Discuss the Background to the Formation of NEPAD

The emergence of New Partnership for Africa's Development (NEPAD) formed in July 2001, is the latest in a long line of policy frameworks, intended to place Africa on a path of growth or development. Before NEPAD there have been several attempts by African leaders to provide the policy frameworks, which will serve as a platform and guide to African development. However, the African Continent had been littered with failed initiatives, development plans and programmes of action. Of note were the regional initiatives of the Lagos Plan of Action in the early 1980s, Abuja Treaty establishing the African Economic Commission (AEC) in the early 1990s. All these initiatives failed essentially because they were dependencies driven. African backwardness and development challenge was blamed on external forces thereby exonerating post colonial elites; they also failed to consider issues of bad governance, corruption and accountability. In summary, these initiatives sought to externalise the sources of Africa's development crisis.

The process that eventually crystallised into NEPAD dates back to 1999 when, President A Boutefika, President Thabo Mbeki, President Obasanjo and President Wade, were at the time the chairmen of the OAU (AU) the Non-Aligned and the G77 respectively. They seized the opportunity of their unique positions to address the problems of peace, security, as well as poverty and underdevelopment in Africa. President Mbeki became the arrow head of Millennium African Recovery Plan (MARP); soon after, President Wade sponsored the Omega Plan. Following the directive of the OAU (AU), both initiatives were merged to form NEPAD.

Conversely, NEPAD is distinct from the rest because it addresses Africa's development crisis such as bad governance and leadership. In addressing the problem of bad leadership and governance crisis, NEPAD internalises the source of development. Hence, NEPAD, according to Audu (2008:211) can be defined as: The collective vision of African leaders to resolve the crises of governance and development in their region in the 21st century. NEPAD is therefore, Africa's home grown economic reserve plan.

The Organisation of African Unity(OAU) (now African Union(A.U.), an umbrella body for independent African States endorsed and adopted the New Partnership for Africa's Development. This represents the latest attempt by African countries to promote economic and social development in this economically backward continent.

Briefly describe the theoretical background to the role of the state in Third World countries.

Theoretical postulation on the evolution, nature and character of the state is crucially justified because it throws light on the role of the state, by using its apparatuses. It is therefore of great significance to understand the various theoretical explanations that are fundamental to their roles in the society.

The state, once the corner stone of development is now the millstone around otherwise efficient markets. States, especially in Third World countries have been described as the 'rentier state', the 'overextended state', the 'parasitical state', the 'predatory state', the 'lame leviathan', the 'patrimonial state', the 'prebendal state', the' crony state', the 'kleptocratic state', etc. Such states, it has been argued are to delink, reduce or roll back, to stabilise the economy, deregulate, privatise the economy, to engage in good governance, to democratise themselves and society and create an environment for the private sector to thrive.

In the light of the foregoing, the growing interest in the nature and role of state therefore represents the revival of a major intellectual and theoretical concern of the 1950s and 1960s.

Briefly explain what you understand by direct economic dependence.

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 labour force in Third World as well as the product of petty commodity producers. This form of dependency is a product of the colonial heritage. In this regards, after independence, their relationship assumes a neo-colonial character. In most Third World countries, the post colonial states are mere extension of the metropolitan states. The elites that control the states are more of an appendage to the metropolitan states.

In most post independence Third World states, especially in the immediate aftermath of political independence, the economic sector was firmly under the control of foreign multinationals essentially from the former colonial powers.

Define foreign aid

Foreign aid: is the material and immaterial financial help which a country in need receives from another country, country and/or international aid agencies. Foreign support is provided in a range of ways and is used for a number of purposes. Some assistance involves clear financial subsidies, some concessional loans and some shared technical expertise.

In other words, foreign assistance will be any financial, material or human assistance from a donor country to a recipient country. It may be in the form of money, humanitarian (e.g. rescuers, medical doctors, lawyers, engineers, etc.) or materials such as food , medicines, building materials, weapons, etc.

The externally non- integrated economies of the third world manifest in two different ways:

• The dualism of the modern and traditional socio-economic sectors the co-existence of export economies and subsistence economies

• Sectoral disarticulation. Dualism has a very long history in the 18th Century colonial period in the East Indies when the colonial masters introduced the Western style of plantation in Indonesia and its failure led to the underdevelopment of the people. Dualism emphasises that economic laws that are found valid in the advanced capitalist countries, do exist in Third World countries. That is, the process of modernisation has led to the polarisation of the world. At the international level, the process had led to the development of two worlds- the developed countries with their peculiar characteristics and developing countries' characteristics. Also within each country of developing world there is a domestic dualism-the country is internally polarised with a modern and primitive sector existing side by side.

The characteristics of dualism are as follows:

i. The existence of two sets of conditions- both modern and traditional institutions. For example, we have a highly developed modern economic sector coexisting with a traditional economic system.

ii. The coexistence is permanent and not transitional. The difference in development between the two sectors is not a temporary thong which can be removed overnight.

iii. The gap between the two sectors is widening. The degree of superiority or inferiority is on the increase. For example, the gap between advanced industrial countries is developing and does not show any sign of diminishing.

iv. The backwash effect. This characteristic implies that the interrelations between superior and inferior elements are such that the existence of the superior or advanced capitalist countries retard the development of the inferior- the Third World countries.

Sociological dimension of dualism refers to the co-existence of imported social system with an indigenous social system.

The features of sociological dualism which the traditional society manifests according to Boeke cited in Ujo (1994) are as follows:

• limited needs

• complete absence of profit making

• aversion to capital (dislike of investment)

• lack of business qualities

• lack of good organisation and discipline

• fatalism and resignation to fate

• lack of mobility of labour

• absence of regular labour

• export is the main motive of business

The Capitalist Mode Of Production: is a social mode of production of material benefits, based on private capitalist ownership of means of production and the exploitation of wage labour. The capitalist mode of production according to Karl Marx refers to: Social mode of production under which the process of production is subordinated to capital that is which is founded on the relationship between capital and hired labour.

<u>Basic Features Of Capitalist Mode Of Production</u>

i). The means of production are unevenly distributed;

ii). The second major characteristic of capitalist mode of production is commodity production. It gives capitalist society some of the characteristics of a market. The capitalist mode of production in which capital has penetrated and taken over production. That means, production is geared for sale and this becomes commodity production.

What Is Third World?

Third World; refers to people who were not allowed to participate or benefit from the industrial revolution despite the fact that the sweat and blood of these people became the human slab on which the foundation of the Industrial Revolution was laid.

According to Munroe (2001:216), Third World nations refers to people who were not allowed to participate or benefit from the industrial revolution despite the fact that the sweat and blood of these people became the human slab on which the foundation of the Industrial Revolution was laid.

According to Handelman (2001:1-2) Third World refers to the nations of Africa, Asia, the Middle East, Latin America and the Caribbean that belong neither to the first world (Japan and the Western Industrial Democracies, the first countries to develop industrial economies and liberal democracies) nor to the now defunct second world (the bloc of former communist nations, that included the Soviet Union and Eastern Europe).

What is Development?

According to Walter Rodney (1972), Development is a many-sided process implying for the individual, skills and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being. The process involves the development of tools, skills and the mobilisation of required resources for development purpose.

According to Okwudiba Nnoli (1979), Development refers to a checklist of technical artifacts. To him, the availability of schools, hospitals, road networks, electricity, boreholes and other infrastructural faculties are indications of development.

To V.I. Lenin (1968) development means: A progressive movement, ascension from lower to higher stages and from simple to complex situations- the simple/lower stage(s) refers to the state of nature in which society finds itself in the process of social evolution.

From the definitions above, there is clear indication that development does not have precise definition; nevertheless, the following viewpoints can be discussed as common grounds of agreement:

- development is a process and not a state and this process is many- sided
- development involves action which emphasises the conscious efforts of the state to induce development in the society

- it focuses on quantitative and qualitative changes in the structure, composition and performance of the forces of production.
- it also emphasized an increasing capacity to make rational value and use of natural and human resources for meeting people's social ends
- it ultimately brings about qualitative improvement in the standard of living of the people.

What Is Underdevelopment?

According to Alanana (2006:5) underdevelopment is a process in which a country has not sufficiently developed. This status of insufficient development, he added, was acquired under certain historical circumstances. These historical conditions includes centuries of slavery, colonialism and neo-colonialism.

According to Frank (1969) underdevelopment refers to an active process of distortion, characteristic of the relatively modern fate of the Third World, and hence in no way to be equated with tradition or any sort of original state.

The above definitions imply that:

i) there exists a link or relationship between the Capitalist Industrialised Countries and the Third World Countries

ii) economic links between the Advanced Capitalist Countries and the Third World Countries are structurally and historically developed and has conditioned the Third World Countries to be perpetually dependent on the Advanced Countries.

iii) it also implies underdevelopment could be as a relationship between governance politics and economy

What Is Dependency?

According to Offiong (1980:73) Dependency refers to the situation that the history of colonial imperialism has left and that modern imperialism creates in underdeveloped countries.

According to Johnson (1972: 72), Dependency is imperialism seen from the perspective of underdevelopment. Dependency from this perspective is not an external factor but as a conditioning situation in which the specific histories of development and underdevelopment transpired in various societies.

To Dos Santos cited in Offiong (1980:73-74), dependency refers to a situation in which a certain group of countries have their economy conditioned by the development and expansion of another economy, to which the former is subject. The relation of interdependence between two or more economies and between these and world trade assumes the form of dependence when some countries (the dominant) can expand and give impulse to their own development, while other countries (the dependent) can only develop as a reflection of this expansion.

From the forgoing definitions, there seemed to be some common agreement by these scholars on some issues which include:

i) that development and dependency is relational

ii) that global inequality in wealth and development is situated within the historical exploitation of poor societies (Third World Countries) by the rich countries (Advanced Countries)

iii) that the dominant (Advanced Countries) are capable of dynamic development responsive to their internal needs whereas the dependent (Third World) have reflex type of development

iv) that the development alternatives open to the dependent nations are defined and limited by its integration into, and functions within the world capitalist market

v) that the basic situations of dependence leads to a global situation in dependent countries that situated them in backwardness and under the exploitation of the dominant countries.