NEW-TECHNOLOGIES AS A RECIPE FOR MITIGATING THE ILLS OF CAPITALISM AND UNDERDEVELOPMENT IN AFRICA

Obah-Akpowoghaha, N.G
Department of Political Science Obafemi Awolowo University, Ile-Ife, Osun State

B.T. Badejo PhD
Department of Local Government Studies, Obafemi Awolowo University Ile-Ife, Osun State
P.O. BOX 2006 OAU IFE

goldef2all@yahoo.co.uk

Ogunmilade, A.
Department of Office Technology and Management, Federal Auchi Polytechnic, Auchi, Edo State.

ABSTRACT

Capitalism as a concept that is alien to Africa traditions have been regarded as a philosophy that engendered inequality and conflict between and among Africans. Scholars like Karl Marx, Kwame Nkrumah, Walter Rodney, Jomo Kenyatta and other Marxism’s subscribers have always stressed the ills and the contradictions that are inherent in the capitalist system and attributing underdevelopment as a by-product of a capitalist system. However, the unprecedented nature of Information Technology (IT) in this 21st century has reformed and cause a paradigm shift in the practices and the interaction of political economy of emerging economy especially the operations of capitalism. While thousands of literature have laid emphasized on Adam Smith’s concepts of the market system and paying little attention to the dynamics of New Technology in the global system vis-à-vis capitalism. Hence, the paper examines new technologies as a means of mitigating underdevelopment and ills of capitalism in Africa and further made salient suggestions how New Technologies can be use to mitigate the ills of capitalist system in emergent economy in Africa. Consequently, in achieving this objective, the paper relies on secondary data such as textbooks, internet materials, etc.

Keywords: Capitalism. Capitalist-Contradictions. Underdevelopment. New-Technologies.

1. INTRODUCTION

The intellectual fire that generated towards the end of the 19th century within the field of political economy arises from economy ideologies and its adverse effects cause by the practices of these philosophies. The unthinkable circuit of the effects arising from the economy system was man-made which has led to class society leading to class struggle in the history of mankind. The intensification of knowledge in area of scientific approaches (New Technologies) to production, distribution and services engineer class struggle, that is, division of human society into “they have and they have not” (Smith, 2013). This class permutation was vividly accentuated by Marxian’s scholars especially Karl Marx himself. His thesis (the collapse of capitalist system to be replace by socialism and proceeded by communism) was applauded and appreciated in the Eastern part of the globe, particularly countries that subscribed to socialism and communism. His knowledge precipitated into Africa’s nations that share the view of socialism and other element of communal living.

However, New-Technologies happened to be the distinctive factor that distinguished capitalist mode of production from other means of production such as the Asiatic mode of production, Primeval society, Slave society and Feudal society. Moreover, the advent of New Technologies to production process in the formative era of industrial capitalist means of production sparked a conflict between capital owner (Bourgeoisies) and the worker (proletariat) that produces surpluses. New machineries, equipments and technological device where destroy by workers on the ground that these New Technologies will put them out of their work. This misconception was latter address and anchored on the preposition that the process of dehumanisation and exploitation lies in the capitalist system and not New Technologies (Jhingan, 2005). However arising from the preamble, the paper is face with some cogent questions such as what are the factors responsible for underdevelopment in Third World Countries especially sovereignty states in Africa. Is it possible that countries in Africa have not fully utilised modern technologies in course of production? What are the factors promoting development in European countries and why are countries in Africa still debating on how to jump out from the
vicious cycle of poverty?. How do Africans see Capitalism?. Why is it working in the Western and European countries and not successful in states in Africa. These are some of the issues that this paper addressed by laying hold on theoretical postulations of Ronald Chilcote, Johan Galtung, Andre Gunder Frank, etc, on “capitalism/imperialism” and liberal side of the coin. It will further give salient suggestions how new technologies can be apply and utilise in the course of mitigating underdevelopment and ills of capitalism in developing countries.

2. LITERATURE REVIEW
The concept of Capitalism, Underdevelopment and New Technologies
The general meaning of capitalism is centre on private ownership of the means of production, distribution and services. It is a situation whereby entrepreneurs and other private institutions control and run the economy of a state with little or no interference of the government. For Adam Smith, a classical economist advocated a total control of the economy by private investors without state interference. The central notion of Adam Smith is built on price mechanism, in other words, the interaction of the law of demand and supply as a yardstick that controls investors and consumers in an economic system. However, the experiment of Adam Smith failed due to human desire for peace, law, liberty, welfare and other human social services that private investors cannot provide in affordable cost. The aforementioned factors served as a catalyst that led states to be part and parcel of the operations of the market (Olutayo and Omobowale, 2007). Hence, the state regulates, institutes workable laws and render affordable services at lower cost for her citizens. Consequently, modern capitalist economy is a partnership between the state(s) and private investors (mixed economy). However the strength of both partners towards investment or the economy is an indicator whether the country will be trap into underdevelopment or slow-development process (developing).

According to R. R. Nelson’s Theory of Low-Level Equilibrium Trap of underdevelopment (cit. in Jhingan, 2005) states that increase in per capita income of a country above the minimum subsistence level, population tends to increase geometrically with an increase in per capita income. But when the growth rate of population reaches an upper physical limit, it starts to diminish with further increases in per capita income. On this issue Jhingan (2005) argued that most Africa economies (investors) experience this underdevelopment trap due to the use of obsolete technology in order to reduce cost and reap huge profit. And for Smith (2013), the advance economies monopolises their new-technologies in order to place developing countries into eternal economic exploitations and by this process workers in these countries are made to labour and advance the advanced economies. In this process workers are made to labour over their normal time. To buttress the analyses of Nelson’s theory and Jhingan observation, most Africa countries such as Nigeria, over population against the available space in various industries and institutions have ignite capitalists system. This explains the empirical research work carryout by Ogun (2010) “infrastructure and poverty reduction: implications for urban development in Nigeria”. In the study, Ogun (2010) laid emphasise on investment on infrastructure on the rural area and diversification economy. He further contended that this mechanism has been used by countries in Asia like China to tackle underdevelopment particularly the reduction of poverty, unemployment and underemployment. The question of underemployment and unemployment in less developed countries (LDC) have been attributed to one sided investment by most developing countries where industries are sited in cities and creating rural to urban migration explosion (Ogun, 2010).

In this case, local entrepreneurs and multinational-capitalists tend to exploit and apply cheap labour and capital for production process. And by extension, new-technologies are not encouraged because the system is labour-intensive which to an extent discourages investment on social amenities that are much inadequate in LDC. In other words, in every space available to be fill, there are thousands of applicants applying for one position, workers are underpaid and there social needs are been ignore due to other applicants that are also qualify to assume same job in order for them to survive. Employers exploit and utilise workers to the maximum level and when they sense any form of weakness in any workers, a quick notice of sack letter is issue and another person is being hired for the Job. There are thousands of applicants who are highly qualified or over qualify waiting and chasing a single vacancy. In most underdeveloped countries like Nigeria the capitalists use any professional person to fill a post. For example, a mechanical engineer can be use as cashier in a bank, a biologist can also be used as a bank manager, a graduate in political science can be use as security officer in oil companies and so on. There are some of the contradictions and ills existing in African capitalism which has led to huge underemployment and underdevelopment trap by extension. In a similar note Ogun (2010) described this trapped as “market failure” and for capitalism to survive and work in developing countries that Africa is not an exception, they need to develop a robust legal framework that would minimize corrupt practices. And at the long run it will reduce capitalist manipulation of the economy solely to make profit without contributing to the immediate environment.
Capitalists in these countries use New-technologies if it promotes unprecedented profit and reduction of cost. This is where the ills and the contradiction of the capitalist system come to play. It is on this note that the “The Socialist Party of Great Britain” observes that:

The evils of capitalism are conspicuous in Africa and Africans have lost confidence in capitalism, exemplified by the renewed springing-up of working-class consciousness in South Africa, The Gambia, Namibia, Kenya, Nigeria, Ghana and others but are choked by the external forces of capitalism. But underdevelopment will surely persist if the existing capitalist relations of production are maintained, and if the dependence of Africa on international capital, ... (http://www.worldsocialism.org/spgb)

The capitalists in underdeveloped countries deliberately ignore the welfare of the workers believing that an exit of single worker will lead to hundreds of jobless individuals seeking for same job even for a lower pay and by extension workers are overuse and compelled to manage outdated facilities. Some of these obsolete technologies create all kinds of hazards that normally have effect in the working environment as well as the health of the workers. It is this basis that Staley (cited in Jhingan, 2005) defined underdevelopment as one characterised by massive and chronic poverty, obsolete methods of production and social organisation. For Smith (2013) “underdevelopment carried the meaning of lacking the basic tools of science, technology, rationality, state, and market; all of which are the key metaphors of modernity”.

Extrapolating from above, Kay and Emmanuel (cited in Jhingan, 2005) and also McPhail (cited in Smith, 2013) observed that the indigenous capitalists exploit their own people through unequal exchange rate and intensified by the asymmetrical relation that permeate in the international system. The perpetual exploitation that engulfed the international market is as result of technological advancement abounds in the developed economies and this has tied underdeveloped countries into state of dependency. It is on this observations that made Chilcote and Galtung (cited in Okereke and Ekpe, 2002) to outlined five mode of dependency that is plaguing developing countries which embodied: Economic; Political; Military; Communication; and Cultural dependency. According to Andre Gunder Frank (cited in Okereke and Ekpe, 2002) and supported by Smith (2013) stated that “the development of the satellites are directly limited by their Dependent status” and further contended that capitalism has effectively and completely penetrated the underdeveloped world thus inducing underdevelopment in the satellite and development in the metropolis. Consequently, Andre Gunder Frank recommended that the underdeveloped countries have the option to break out from the unequal capitalist input and output relation between the metropolis-satellite countries via socialist revolution and in relation with this view Joseph Schumpeter (quoted in Okereke and Ekpe, 2002) in his thesis on imperialism as an advanced stage of capitalism also acknowledged that:

Since the vital needs that created it have passed away for good, it must gradually disappear, even though every warlike involvement, no matter how non imperialistic in character, tends to disappear as a structural element because the structure that brought it to fore goes into a decline, giving ways. In the cause of social development, to other structures that have no room for and eliminate the power factors that supported it.

According to the Socialist Party in Great Britain described Africa as a hopeless continent been forcefully dragged into global scene with no sense of identity but highly endowed with natural and mineral resources. For them capitalism:

Africa, a continent with virtually all the resources it takes for development, is the worst hit by hunger, starvation, armed conflicts, instability, displacement and abject poverty. Politicians, jockeying for the little resources left by the capitalist class, display the politics of hide-and-seek, repression and oppression. This is mainly because of the system which encourages capital accumulation and profit-seeking. The cumulative effect is flagrant corruption, deprivation, wastage and impoverishment which intensifies underdevelopment. Worst of all, as Africa is helplessly dragged into the global free trade championed by the International Monetary Fund (I.M.F.) and
World Bank, Africa's natural resources are further exposed for deep exploitation by international capitalism, which deteriorates the woes of the already impoverished African working class. This shows that the objective conditions of African socioeconomic formations do not favour capitalism. (http://www.worldsocialism.org/spgb)

Conversely, the liberal scholars such as J.A. Hobson, George Lichtheim, Karl Kautsky, Rudolf Hilferding and others have also argued that the end of colonialism at beginning of the 21st century put a stop to all form of economy manipulations and subjugation by imperialists advanced states. They further contended that the cause of imperialism was induced as a result of domestic under-consumptions that existed in the metropolitan advanced states. The liberals supported the view that African countries or developing nations need total overhauling of the entire system through the process of Europeanisation or Americanisation. However, in resolving the crises of underdevelopment, the United Nations through her special agencies World Bank and International Monetary Fund (IMF) have recommended a lot of mechanism that developing nations should adopt such as the popular acclaimed “Structural Adjustment Programme (SAP)”, “Borrowing” and so no. These mechanism and policies recommended by World Bank met its waterloo beginning from Latin America where the then almighty Structural Adjustment Programme failed woefully and in African states, Nigeria precisely in 1986, it was total failure and one factor that led the country into debt crises and other Third World countries (Adofu and Abula, 2010). In a defence, the Statists Theorists have also argued that failure of economic policies and other policies in satellite states particularly countries in Africa is a function of bad leadership and corruption. In other words, underdevelopment is a domestic factors and not external factors created by political leaders whose personal interests are place above the national interests (Oko, n.d; Obah-Akpowogha, 2013). Corroborating the above observations, Mohan and Power (2009) attributed the problem of underdevelopment as situation of “toxic culture” which is unfriendly to democratic ideals. They further argued that capitalism should be encourage that would prompt workers to be honest, open minded, hard-work.

However in the Western and European countries, workers welfare happen to be the number one priority of every capitalists and new inventions, technologies, social ideas are entertain at every point in time and strong/workable labour laws are passed. For example the Chinese economy has embrace capitalist ideas, technologies and reformatory process leaving behind their formal traditional ideals of communist system that discourages individual initiatives or individualism. A typical example are the Asia Tigers (Singapore, North Korea, Taiwan, Hong Kong), these are some of the countries that have reform the operational pattern of the capitalist system (Ogun, 2010). Consequently, a study of economic development of underdevelopment countries buttressed the typology above (Jhingan, 2005). Most time in Africa, the available technologies are use to enhance and promote profit of the capitalist without proper welfare of the consumers or workers, this point explains some of the multi-national and trans-national companies that are exploring oil and mineral resources in Africa. Companies such Shall, Agip, Mobil and others have been sued in respect of environmental degradation (Ukeje et al, 2002). A lot of literature has ascribed this problem due to the weakness of the government of the day and the menace of corruption (Oko, n.d). In other words, lack of political will and the problem of corruption have intensified the capitalist system of perpetuate exploitation of the workers and consumers and by extension some of these companies are assisted by their government to subject other countries into eternal subjugation and a pattern of neo-colonization (http://www.worldsocialism.org/spgb).

The pattern of neo-colonization emanating from capitalist permutation is the process of supplanting new capital and other factors of production into other emerging economies like Nigeria, South Africa, Ghana, Togo, Cameroon and other emerging economies. This situation describes new technologies that exists at the advanced countries and given the fact that they are absent in the emerging economies, at the long run, the emerging economies rely and depend on the advanced countries for technological survival and this has expose the satellite countries (developing) into capitalists manipulations and scheming. This pattern of capitalist-relations also affects both the political and other socio-cultural factors and this has reduce some Third World countries into a state of a Beggars or a toy in the hands of the so called advanced countries. This ideal has sparked series of argument on the quest for holistic development in the Africa countries (Olutayo and Omobowale, 2007; Smith, 2013). And for the Socialist Party in Great Britain has lauded it that Africa or developing countries should accept their status or result to socialist mode of production, where every persons are seen as the property of the state (http://www.worldsocialism.org/spgb). Liberalists have also argued that Africa counties need total overhauling of the entire system through the process of Europeanisation and Americanisation. The liberal school of thought argued that there is nothing wrong with the activities or practises of capitalism but there are a lot of internal and natural factors that are against developmental process in Africa countries like the climate, attitude and culture, beliefs, etc., this notions was strongly supported by Mohan and Power (2009), for them Africa
culture is toxic that lacks honesty, open mindedness, hard-work and commitment to democratic ideals. Conversely, the Marxists have also forwarded that the asymmetrical relation that engulfed the international system that has placed most third world countries to produced primary products is a precursor to the problem of underdevelopment in the Third World countries particularly Africa countries. On this notion Arghiri Emmanuel and Kay (cited in Okereke and Ekpe, 2002) and Mowlana (cited in Smith 2013) argued that unequal exchange arising from realm of international trade is the root cause of underdevelopment in the Third World countries and primarily brought about by slavery and colonialism.

However arising from the above, underdevelopment can be defined as a process whereby a country is unable to utilise her resources within a given period of time. In this period, the problem of vicious circle of poverty and socio-political instability pervade the entire system. In other words, the demand side of the vicious circle is that low level of real income leads to a low level of demand which, in turn, leads to a low rate of investment and hence back to deficiency of capital, low productivity and low income while in the supply side of the vicious circle is that low level of real income means low saving and the low level of saving leads to a low investment, in turn, creates deficiency of capital. The deficiency of capital give birth to low level of productivity and finally back to low income. However, low investment and capital deficiency is a common feature of demand and supply vicious circles that parade African countries. Another dimension of this circle is on human and natural resources. According to Jhingan (2005), that the development of natural resources is dependent upon the productive capacity of the labour force in a country and if people lack modern technology, entrepreneurial activity, the natural resources will tend to remain unutilised, undeniutilised and in the long or short run misutilised. This view suggests that African countries are backward due to underdevelopment natural resources. For example in Nigeria is noted as monoculture-state primarily known for exploration of crude oil and while other sectors are lying fallow such as bitumen, tin, and so on. The situation is very conspicuous in most developing countries and it has tailored the economies of these countries to dance along capitalism stratagem and worsened by leadership failure (Ohtayo and Omobawale, 2007; Ogun, 2010)

3. NEW-Technologies as a recipe for mitigating underdevelopment and ills of capitalism in African countries

One of the problems facing the underdeveloped economies is how best to utilise modern or new technologies in place of obsolete techniques. On this issue Proudhon (quoted in Dobra, 2012) encourages developing nations to focus on “demopedy, a system of education of the people” and this will serve as a channel to utilise the necessary new-technologies and a catalyst for further research programmes. But factors militating against holistic development in Africa are copious and multidimensional like inadequate fund, political corruption, lack of Africa-research based system that promotes and harnesses the heritage of the Africa people, inaccessibility of capital from abroad and all these among others have made the entire system to be manipulated by any capitalist. This suggests that Africa countries need to have united and a sincere policy that encourages indigenous investors, a common research packages or a new paradigm of Africa technology, and re-examination and appraisal of the Africa cultures and norms in order to form a formidable point of technological departure. According to Hirshman (cited in Jhingan 2005) and Dobra (2012) further pointed out that Africa countries should invest in new technologies that are bound to enhance skills, efficiency and assist in training management in new operations. And this posses the twin property of efficiency enhancing and coordination-promoting. Corroborating the issues above, Galenson and leibenstein (cited in Jhingan 2005) made salient economy recommendations to African countries. They are as follows:

- The use of new technology, capital intensive techniques can lead to the production of quality materials and reduction of production cost. Low costs imply low-prices and create the avenue for a rapid rise in standard of living.
- Furthermore, capital poor countries can ill afford to waste capital through obsolescence and depreciation. Countries in Africa should choose highly capital-intensive production techniques that do not become obsolete soon. Thus a small production of capital is available for further capital formation.

Furthermore, Mohan and Power (2009) also argued that the problem of Africa underdevelopment is multidimensional cutting across bad topographical problem, unfavourable climate condition, lack of new technology, unfriendly culture and so on. And they further opined that for Africa to make good and reasonable wave in towards development, they need assistance from advanced countries whose economies and technologies have stand a test of time and a change of their “toxic culture”. In a similar vein, “The UNDP and World” (cited in Ogun, 2010) noted that given the incident of ...poverty and its menace in developing countries, there has been a pact on what policy measures should be initiated to reduce poverty and by extension underdevelopment. These include: a market oriented, growth-inducing approaching that expands opportunities for production and remunerative employment among the poor; (b) widespread access to social services such as health and education; and (c) targeted transfers schemes such as food stamps, subsidised food distribution, and nutrition programs.
Finally for Jhingan (2005) also made an observation based on the view of the above scholars that laid more emphases on capital intensive techniques against labour intensive. He argued and recommended that for the interest of the large population that labour intensive techniques should be encourage in view of consumer goods sector and for continuing and compounding effect on the rate of growth of income, capital intensive techniques should be encourage in the capital sector. However, the goal of this paper is not to entertain argument in view of techniques but to solve the problems facing underdeveloped countries. Moreover, in mitigating underdevelopment situation Jhingan stressed the need for capital transfer that consists of monetary capital, technology, managerial and marketing skills, information services. The need for technological transfer in the backward countries arises as a result to overcome backwardness, to increase productivity and growth, to save time and money and especially to fill technological gap. In a broad mission statement, it is for rapid and holistic socio-economic development that embodies increase the productivity of staff and machines for building infrastructure, for exploiting and making an optimal use of their natural resources, and for developing labour, etc and is reflected in high cost of production despite cheap labour, in low productivity of labour and capital, in the predominance of untrained and unskilled workers, and this also expresses the nature of poverty, inequalities and unemployment. He further point out that technological transfer brings about new equipment and machines; advanced techniques; innovations; huge reduction of poverty, inequalities, unemployment; and skilled personnel. Moreover, in achieving this purpose Jhingan (2005) highlighted for transfer channels: Transfer of knowledge through scientific exchange in form of research journals, books and other published materials; Commercial channels, this can be done on a bilateral basis from private firms; Government channel in the form of technical assistance which the process of providing educational and training facilities to students and personnel in less developed countries in colleges and institutions in advanced countries; and International Organisations under the aegis of the United Nations, the European Union, etc. encourage transfer of new-technology to developing nations via provisions of vocational training, conducting seminars and short-term courses, awarding of scholarship. However, most this transfers are done through in the form of aid.

Consequently, the juicy nature of these technological transfers does not write off the demerit and crises encountered by developing countries. Most of these technological transfers engineers and encourages exploitations whereby the suppliers manipulate and exploit the purchasers of technologies. For example when private firms enter into agreement with firms in Africa nations like Nigeria, Ghana, etc. for transfer of new technologies, they restrict their right to use according to their prevailing economy conditions which eventually leads to technological dependence and by extension neo-colonisation. And also when technological transfer tied workers to retraining of staff in new skills and trade in most host country, they are unable to shift to other industries, hence the mobility of labour is restricted leading to owners of firms exploiting the staff by compelling them to work for longer period. According Jhingan (2005) such situations worsen balance of payment; social tensions; tax evasion; outmoded machines; limited labour absorption; and high cost rate.

4. CONCLUDING REMARKS
This paper has reveals the contradictions and ills of the capitalism, stressing the place of capita in the Africa market. New-Technologies as a sub-set of capita in its utilisation have been solely on the grounds of profit maximizations against the welfare of the workers or the system in most Africa states. The Socialist Party in Great Britain has emphatically seen capitalism as the only problem of developing nations and this observation is incongruent to the developmental leap of the Asia Tigers. However, the paper has arrived that most Africa countries are highly noted for the exportations of a single commodity and while other sectors are left untapped due to technological backwardness and leadership failure. This scenario has created a dependency ratio within the shores of the economy of the Africa societies. In other words, for developing countries to experience and have a taste of scientific knowledge of the advance countries, the later will direct the affairs of the formal through trade liberalisations and other International Monetary Fund (IMF) techniques. Moreover, the paper has remarkably subscribed that Africa countries need technological transfers and the pattern of its leadership structure demands to be expanded beyond its traditional milieu and Africans can only be a prey to capitalists if only if the leadership structure subscribed to it. The ongoing debt burden in contemporary Africa states is a function of leaders taste for primitive accumulation of wealth and which has been described as part and parcel of the toxic culture by liberal scholars. In mitigating underdevelopment and the ills of capitalism, developing nations need to focus on demopedy, a system of education of the people and this will serve as a channel to acquire the necessary new-technologies (Dobra, 2012). And one of the stricken issue in this paper is on the reason why capitalism is working in Europe and in the West, the paper noted that indigenous industries in these advanced countries are helped by their government via global organisations and the temple of corruption is very low compare to developing nations but the Marxists described this mechanism as neo-colonialism and imperialism upon developing nations. However, Africa countries should develop a mechanism within their regional organisations and continental union to create an atmosphere of economy development via a common scientific research and a sincere fight and zero tolerance to corruption. Development in Africa is beyond trade
liberalisation within the continent, moreover there is need to explore and develop the untapped good heritage of the Africa people. Colonization has shattered the culture of the Africa people and different ethnic backgrounds are forcefully merged to form a state. There should be a call for sovereign national conference once every two years whereby the union will create a melting point for her overall development. The policy of divide and rule is still much alive in developing countries and while Africans are fighting within themselves, the government of the developed countries are busy carting-away the resources of the developing nations. Currently there is huge problem of technology and brain-drain in Africa.

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