

A HISTORY OF POVERTY: Trade, Investment and Underdevelopment

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Any discourse or effort towards genuine and broad national economic development and eradicating poverty must appreciate that underdevelopment and poverty is caused and perpetuated. Although it is now unfashionable and politically "incorrect," it must be acknowledged and factored in that the adverse impact of the surviving factors and patterns of colonial and neo-colonial trade and investment limit and distort the social and economic situation of Africa and Africans. On a net basis, the dominant global economic system has been under-developing, impoverishing and degrading the dignity of Africa and Africans. Under these circumstances, poverty can only be eradicated by correctly and fully identifying and uprooting some of the key causal legacies of colonialism. Of course, this cannot be accomplished by empty condemnation or blind embrace of globalisation and capitalism. The need is for courageous, seriousness and pragmatically flexible and adaptable programmes. Such an agenda must be founded on comprehensive and conscious knowledge of history, society, firm economic realism and sharp economic thinking.

In addressing the practical linkage of trade, investment and poverty reduction, the conceptual starting point must be the realisation that, historically, underdevelopment is not some sort of original state of nature and that poverty is the starting point of development. For example, there has been a historical process of actually under-developing the economies and impoverishing the societies of the territories that now make up Zambia. It must be understood that it is people who are this system's victims, and who need to be empowered to have individual, community and institutional capacity to develop and take control of own development process in dignity. This under-developing process, which undercuts human dignity, is caused by a trading and investment regime that has led to a usual, if not continuous, net resource drain from economies like Zambia's to the external and developed parts of the international economic system. In many critical ways, the African economic situation has been undermined and exploited into the negative zone of bellow zero of humane conditions. This explains the Sisyphean features, but also the essential nature, of the challenge of economic recovery and transformation into sustainable and self-reliant development.

This under-developing process has, for centuries, up to date, been an integral and essential part of remnant factors of the colonisation and appending of much of Africa into a globalisation. This globalisation was initiated by marauders, plunderers and enslavers, followed by commerce and colonisation predominantly characterised by economic exploitation and human degradation. The modern economy that resulted from these economic activities was characterised by external orientation and dependency, without much need or development of trade and economic linkages within and across the country and the sub-continental region. These factors are part of history of poverty and underdevelopment arising out of the old colonial and the current neo-colonial order that must be known and tackled in order to institute a new and better developmental and empowering economic state, as part of the long standing African liberation and integration agenda.

It is appreciated that, over time, this exploitation, enclave condition and degradation may have been progressively made less absolute, less crude and less openly heartless, but not completely useful and eliminated. Historically trade and

investment have been linked to a process of under-developing and impoverishing Africa. Belated counter efforts have a long way to go before they can turn trade and investment into instruments for genuine development and effective economic empowerment. These efforts, however well and sincerely intended, have yet to be cast into a format that can completely overcome what has long become institutionalised state of poverty in systematic underdevelopment and perpetual economic crises.

We must be brave enough to say that the desired and necessary development will not be accomplished by folded arms, or naturally unfolding fate. It will not take place under current nature and practice of trade and investment, which historically amounts to more-or-less selfish and materialist business as usual. It is not possible in a globalisation that essentially marginalises social and national interests of the majority of humanity. It is required to know and understand how historically and socially trade and investment has been linked to underdevelopment. It is necessary to logically determine how it may be possible to turn things around, in order to ensure that trade leads to human development and the development of national economy, with the effect of ending the entrenched state of poverty in our midst. What is called for is to retrace, review and reverse the history of at least the later part of the five hundred years of Africa's linkage with Europe and the European dominated economies. This has been a system built to advantage the West. It is built and sustained through unequal trade and exploitative investments that weakens and impoverishes Africa and Africans.

As African patriots, we are challenged to be both pragmatic and penetrating enough to choose appropriate strategies, alliances and tactics to fight all the social forces that hold vested interest in this status quo of fundamental development failure. This must be through mobilising, enlightening and positively activating citizens and social sectors inherently disadvantaged and actually dissatisfied with this apparently permanent socio-economic crisis. In this regard, we must avoid pitfalls of allowing this struggle for genuine and fundamental development to be driven, dominated and constrained by local or locally based private or sectarian interests, which may have private narrow and short-term grievances, but are fundamentally against the broad national interests embodied by peasants and workers. We must guard the national interests against parasitical and personally selfish would be political leaders, who, for example, pay more attention to personal electoral concerns and wrangles over power positions and prestige than on human development issues and broad national interests.

In short, we must beware of the possibility that many in the public service bureaucracy and political leadership, together with many private sector actors, may not share the necessary values and a common commitment to goals of this development struggle. In particular, it is never everybody who shares the nationalistic and broad human development focus that genuine and broad based development demands. We must be aware that failure to deliver socially positive goods and services, and the socially devastating consequences of corruption, on the part of elites in both the private and public sectors, is ultimately going to turn the majority of people against the national leadership. In short, while strategies, alliances and tactics to be applied cannot exclude the political leadership, public servants and private businesspersons, we must not tolerate negative private interests and anti-social behaviour, which may make the general citizenry and labour force alienated and against the nationalist and developmental leadership.

This applies to all fields of national economic policy and activities, including trade and investment policies, but is easier perceived than implemented. This is because the implied decisive and sustainable genuine development, including broad

human development, would invite the active displeasure both locally and globally. The local and locally based economic actors and administrators who thrive on narrow private profits and corruption are unlikely to be pleased or passive. The drivers and major benefactors of the international economic system, with its political and military support wings, would most likely seek to isolate any leadership seeking a firmly independent development line focused on broad popular African interests.

There is a fallacy that either the so called "masses" cannot understand the economics of development or that national economic development can be managed, despite a majority of citizens being left ignorant and ignored. But, what is worse than this is that educated and populist leaders have taken on the understanding and interests of external interests, in the economics of development and assuming that economic development can take place, without challenging the fundamentals of economic injustice and lack of mutual benefits. Indeed, on one hand, many Zambians are very impatient with in-depth explanations and contemplative analyses of underdevelopment causes, but usually available and ready to cheer any thoughtless and quixotic exhibitionist action. On the other hand, many people in politics, business and the new ever expanding army of "consultants" act as if national development is possible, without addressing, for example, the history of unequal trade exchange, non-developmental investment and nationally disjointed economy, and on the already weakened shoulders of majority of the people.

Thus, the challenge of genuine and broad based development out of the long standing state of underdevelopment is very difficult, to the point of being almost – but only almost – impossible. The point is that, however difficult and unusual it may be, genuine and broad based national development demands an enlightened and collectively self-interested involved population, which is mainstreamed into the national economy. Trade and investment cannot eradicate poverty, until and unless there is eradication of the culture whereby most people being ignorant and ignored. Trade and investment cannot effectively or satisfactorily address the historical challenge, unless and until they contribute towards spreading modern production and social amenities more fully across the country, and expand and diversify economies links within the country and among neighbouring countries. Above all, trade and investment would amount to failure, if they do not move to impact positively and effectively in contributing to more equitable exchange in the global economic regime. Knowledge and information, including historical background, is the critical and essential instrument that enables citizens and an economy to identify and determine trade and investment measures that can be developmental and mutually beneficial.

These local and global groups are likely to unite and jointly campaign against such a regime, as has been the case in post colonial African history. Such an alignment of internal and external private and narrow interests can only be held off by an African government that enjoys a broad, solid and spirited understanding and support of majority of its citizens. What is particularly critical is the support of active and vocal citizens in urban areas, and people among influential and activated labour force, mass media, progressive intellectuals and nationalist non-governmental development advocates. This support has to be cultivated through appropriate political education and involvement, starting with spreading appreciation of the historical process of unfair trade and poor corporate governance, which perpetuate underdevelopment, development failures and endless economic crises. The success of the National Project on "*Linkages between Trade, Development & Poverty Reduction*," must be judged on its tangible contribution to building this progressive informed and committed support base.