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## **Western guilt and Third World Development : Part 2**

Baafi Antwi, Joseph

SODERTORNS UNIVERSITY

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**TITLE**

WESTERN GUILT AND THIRD WORLD DEVELOPMENT – THE  
FINAL VERDICT : PART 2

**JOSEPH ANTWI BAAFI**

MSc ECONOMICS  
Södertörns University  
School of Social Science  
Sweden

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**EMAIL: [jobash5@yahoo.com](mailto:jobash5@yahoo.com)**

### **ABSTRACT**

*This work considered the argument of the opponent of Western guilt and the final verdict was issued. The four thematic areas; colonialism, neo-colonialism, slave trade and trade barriers were used. The work found that these events were of enormous benefits to Third World countries though widely criticized by the proponents of Western guilt. The work also considered factors that have resulted in the underdevelopment of Third World countries. These factors were identified as human resource development and corruption. If these two factors were given serious consideration, Third World countries would have developed much faster with the abundant physical resources at their disposal. The verdict was that, the destiny of Third World countries lies in their own hands. Their development cannot be traced to any event present or future. Realizing the need for human resource development and fighting corruption is an important foundation that Third World countries must lay.*

## 1.0 INTRODUCTION

Part one of this work considered the arguments of the proponent of Western guilt using four thematic areas. These areas include Colonialism, Neo-colonialism, Slave Trade and Trade barriers. Each of these arguments gave substantial evidence to support the fact that the West is truly responsible for the poverty of Third World countries. This paper forms part two of the work. We shall in this paper, consider argument against Western guilt. In other words, we shall consider how much positive influence the West had on Third World as a result of their engagements. Have the West truly 'exploited' Third World countries in their engagements? We argue in favor of Western guilt and provide a verdict on the subject.

## 2.0 OPPONENTS OF WESTERN GUILT

We begin this section with a quote from a Lecture delivered by Professor Mazrui (1979), a Professor of Political Science at the University of Michigan who admits himself to have been trained and educated in a Westernized institution of which he was trained and educated free of charge. He writes in his lecturers,

*.. Africa, the first habitat of man, has decayed through human neglect; it is now the least habitable continent because of disease, lack of communication and political instability. Africans though they have not experienced a holocaust such as that experienced by the Jews, or genocide such as that of indigenous American Indians or Australians at the hands of the white people, have been the most humiliated people in history through the slave trade, colonialism and racial discrimination. Africa societies are not the closet culturally to the West, yet they have recently been rapidly westernized. In Africa, immense mineral wealth and agriculture; potential co-exist with extremely low living standard. Africa, the second largest continent, is the most fragmented, split into more than fifty nations, many of them tiny. Finally, Africa, a large continent centrally and strategically located in the World, plays only a marginal role in World affairs..<sup>1</sup>*

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<sup>1</sup> The African Condition (1980), The Reith Lectures, London : Heinemann Educational Books.

The causes of the predicament of humiliation, poverty and political impotence and the possible remedies are Professor Mazrui's main concerns. The prime responsibility for this predicament is as usual, the white man, the west.

Well, Bauer P., one of the notable opponent of Western guilt obviously has a reply for him. Bauer has been an influential figure when it comes to arguments against Western guilt and has written extensively in this area. This section will consider some of his arguments as well as the arguments of other writers and relate them to the happenings of today's 'Modern Third World Countries'. We shall delve into four arguments using the four thematic areas as used in the part one of this work.

### **2.0.1 Colonialism and Neo-colonialism**

We begin the argument starting from the contact of the West with the Third World countries. Third World countries have benefited so much from such contact. Throughout the Third World or Developing countries, large mineral, commercial, agricultural and industrial complexes have been built. The invasions of the West in developing countries have contributed to such improvement. The poorest and most backward countries in the developing part of the world really had no contact with the West nor were they colonized. Such countries began their growth when they opened up the more to western influence. But before that, there were no industrial corporations. Countries that fit this situation as examples include Chad, Nepal, Sikkim and Bhutan. Today, we see such huge difference in the growth and development of such countries' as compared to other countries such as South Africa that was heavily influence by the West. South Africa today stands as one of the most developed countries the Africa and most Third World countries.

Contact with the West has ensured that industries have sprung up and that quality of life in terms of life expectancy have improved. As Peter Bauer writes in response to a group of Cambridge students published pamphlet

*..this is nearly the opposite of the truth as one can find. The British took the rubber to Malaya and tea to India. There were no rubber trees in Malaya or anywhere in Asia (as suggested by their botanical name, Hevea braziliensis) until about one hundred years ago, when the British took the first rubber seeds there out of Amazon jungle. From these sprang the huge rubber Industry – now very largely Asian-owned. Tea plants were brought to India by the British somewhat earlier; their origin is shown in the botanical name Camilla sinensis, as well as in the phrase ‘all the tea in China’... Again Bauer Writes ..So far from condemning Third World people to death, Western contact have been behind the large increase in life expectation by the same critics<sup>2</sup>*

Another example could be cited of Tanganyika (modern day Tanzania). Before Tanganyika made contact with the West, history has it that it was an empty region, thinly and sparsely populated with tribal people exposed to Arab slave trade. Tanganyika virtually had no structured political and economic systems. Residences were peasant farmer who had no idea of modern scientific technology for farming. There were no plantations, no extractive activities; no system of commerce, the list can go on and on. Not even the idea of it. Contact of Tanganyika with the West has put the country on her present level. In Tanganyika and elsewhere in Africa and the Third World, the most prosperous areas are those with most commercial contact with the West.

As one moves away from the concentrations of Western impact, the level of material improvements diminishes. Areas such as West Africa, Southeast Asia, Latin America, the mineral-producing areas of Africa and the Middle East, the cities and ports throughout Asia, Africa and the Caribbean and Latin America have enjoyed numerous and diversified advancement as a result of contact with the West. These areas have improved materially far above areas that had little or no contact with the West. The transformation of Malaya (present day Malaysia) is instructive. In the 1890s it was a sparsely populated area of Malay hamlets and fishing villages. By the 1930, it had become the hub of world’s rubber and tin

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<sup>2</sup> Bauer Peter (2000), *From Subsistence to Exchange and other essays*, Princeton University Press,

industries.<sup>3</sup> The poorest and most backward of aborigines, pygmies and desert people are evidence examples. History has it that whenever there is a contact between two countries (one developed and the other undeveloped), material gain always tend to flow from the developed one to the undeveloped one. An example is the contact between United State and Britain before 1776, Australasia and Britain in the 1800s and the Scandinavia and Italy. This capital flow is a common sense and something that has occurred through history even in bible times. Thus the arguments that capital flow in the reverse other as put forward by proponents of Western guilt may be wrong. These contacts offered correspondingly greater opportunities, especially in view of the great improvement in transportation and telecommunication over the last two hundred years. Even the idea of material progress in relation to man's need of controlled sustained environment in the quest of development came from the West. Thus not only was the West interested in creating and opening up areas, they also took keen interest in environmental conditions and general well being of the people.

Further quotes from Bauer can do the trick. Bauer writes

*... The roles of Western contacts in the material progress of black Africa deserve further notice. As late as the second half of the nineteenth century Black Africa was without even the simplest, most basic ingredients of modern social and economic life. They were brought there by the Westerners over the last hundred years or so. This is true of such fundamentals as public security and law and order; wheeled traffic (Black Africa never invested the wheel) and mechanical transport (before the arrival of Westerners, transport in Black Africa was almost entirely by human muscle); roads, railways, and manmade ports; towns with substantial building, clean water, and sewerage facilities; public health care, hospitals and the control of endemic and epidemic disease, formal education etc. These advanced resulted from peaceful commercial contacts*

From the foregoing, it is clear that Western contact has been very important in the development progress of the Third World countries. The main assumption behind the concept of Western guilt has been that the richness of one country is

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<sup>3</sup> Ibid, pp. 59

directly linked with the poverty of the other. Which can be put in a general term called exploitation. This word is often summed up in one term called colonialism. It has been welcomed in many meetings and writings the world over and a few has greeted it with hostilities. But is the whole idea of colonialism and neo-colonialism as a major responsible fact of Third World poverty true? What about areas that were never colonized or were touch with very few years of colonialis? We must note that some of the most backward countries were never colonized. As for instance Afghanistan, Tibet, Liberia and even Ethiopia are telling examples. According to Ethiopia historians, the so called colonial activity of Italy was not a colonial activity. It was a war between Ethiopian and Italy that lasted for six years. If this is anything to go by, then it means in effects that Ethiopia was never colonized. If colonialism and neo-colonialism were such heavy burdens of Third World countries in relations to their development, why is it that these countries are not way ahead of the others? As a matter of fact, many of the African and Asian colonies progressed very rapidly during colonial rule, much more than the independent countries in the same period. Ghana for instance, in the 1950s was way ahead of Liberia and Ethiopia in many respects economically and politically.

We should again be quick to acknowledge that the prosperity of the West cannot also be linked with colonialism as most advanced countries never took colonies. These countries include the Scandinavia (Sweden, Norway, and Finland) and Switzerland. Even so, Australia today has become that prosperous as a result of colonialism by the Britain. If colonialism was that bad and negative as we see it today, why have some countries been able to take full advantage of it and turn it to their benefit. In fact, foreign private investment and the activities of multinational companies have expanded opportunities and raised incomes and government revenue in the Third World. Thus reference to economic colonialism and all forms of colonialism and neocolonialism both debase the language and distort the truth.

Tribal and ethnic discrimination has been a serious argument for proponents of Western guilt. We should bear in mind that such actions were with the Third



World countries for centuries even before the West established contact. There were racial killings between the Arabs and black skinned person and tribal and ethnic persecution by government of Third World countries. That notwithstanding, countries that supposedly experienced such tribal and ethnic discrimination such as the Chinese in Southeast Asia, Indians in part of Southeast Asia and other have experienced much growth and development.

It is very easy to bypass such matters as the brutal persecution on ethnic and cultural grounds of large numbers of people in South-East Asia, the Middle East and of course, Black Africa. In Asia and Africa such large-scale persecution is widespread and evident, including often officially organized and supported tribal discrimination and its attendant genocide. Countries that easily come in mind are Uganda, Liberia, Angola, Burundi etc. Are we just arguing about the killings of Africans by Europeans?

- What about the genocidal killings between Hutus and Tutsi in Rwanda and Burundi?
- What about the various political unrest in countries such as Liberia, Angola, Uganda, Congo Dr and most recently Cote d'ivoire
- What about the large-scale massacres in the early wars of the Zulus, or the slaughter of the Ibos' by the Hausa in 1966
- What about the extremely brutal Muslim conquest of the Sudan in the last nineteenth century?
- What about the oppression of the tribal groups, the great majority of the population by the Coastal Black rulers of Liberia?
- What about the lording of Amharic's over the Galle in Ethiopia

The list goes on and on. The big question is, Is the West responsible for these killings?

One cannot also forget of the very limited trade historically between Black Africa and North Africa. Relationship between these two regions can only be reduced to the intermittent conquest by North Africa of part of Black Africa and also the much more lasting contact of slave raiding and trading. The dear lives of many

Africans were lost on the hands of these North African slave raiders for want of not having descendance with them. This explains why there are very few or no African descends in the Arab land. At least in the West, there are still African descend. Again slave trade between Africa and the Middle East and between Africa and North Africa antedated the Atlantic slave trade by centuries and far outlasted it. Even when slavery has been completely aborted by the west generally, 'illegal' trading activities were still ongoing between Black Africa and North Africa. The big question is why 'Arabs and Africans do not seem to feel guilty about slavery and the slave trade; but Western Europeans and Americans often do and are made to do so. And yet it was due to their efforts that these practices were largely eliminated'.

Let's take another twist to the issue. Slave trading were involved with two groups of people on either side of the bargain; the Africans themselves (sellers) and the West (Buyers). During the slave trade, it was the Africans themselves who arrested their own people, maltreated them and kept them in prison long before the white (West) touched on the Coast to buy them. Thus African themselves co-operated very well to make sure that, trading was a success and a profitable venture. This showed the depth of divisiveness and tribal/ethnic discrimination that existed among African even before the West came in. If so, why then blame only the West for slave trading and its attendant predicaments.

This notwithstanding, we must be quick to point out that, areas most involved in the Atlantic slave trade, particularly West Africa, have become the economically most advanced areas in Black Africa. A study of pre-colonial South-Eastern Nigeria examines the economic development promoted by the slave trade which 'led to sufficient economic development of the region' to enable the profitable trade in Palm Oil to burgeon in the early nineteenth century.<sup>4</sup>

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<sup>4</sup> David Northrup (1978), *Trade Without Rulers: Pre-Colonial Economic Development in South-Eastern Nigeria*, Oxford Clarendon Press p. 76

We can turn our attention to the issues of fragmentation of Africa into smaller countries and tribal and ethnic separating. The West have been largely blamed for such fragmentation. It is a widely held view that the West has fought over territories of rich land in Africa among themselves and that have resulted in such fragmentation. We can correct such anomalies in this thinking very easily. The fragmentation and multiplicity of African states especially Black Africa states is the result of ethnic and tribal diversity which is purely the creation of God and which in turn reflects the age-old isolation of small and warring communities. Higher numbers of ethnic and tribal grouping often result in higher number of smaller community settlements for these groups. Thus the West cannot be blamed for the fragmented nature of the African continent. After all, the continent was as fragmented before the West came in. Another reason for this fragmentation was the absence of even the rudimentary transport facilities and public security system. There were virtually less and/or no transport system to link the various ethnic groups scattered around. As time went by when less or no communication went on, tribal and ethnic groups became much more separated and much more disintegrated. By providing transport/communication facilities and public security these isolations and fragmentation have in fact broken down over large areas and have thus helped to create larger communities. But even with that, Black communities are finding the integration quite difficult.

### **2.0.2 TRADE BARRIERS**

Proponents of Western guilt mostly argue on the line of International trade as a major factor. They claim there excites an unfavorable terms of trade of trade between the West and Third World countries. Trade according to their arguments, favours the West. But can these arguments be validated? Opponents of Western guilt have the complete opposite to such ideology.

They argue that the poorest areas of the Third World have no external trade. This can very much be true. Again trade with the West has benefited Third World. Before the advent of external trade with the West, there were some levels of trading activities among Third World countries. Example can be cited of the inter

and intra tribal trade between and among countries of the Third World especially Africa countries. These trading activities really had no effect on the welfare of people living in these countries. It was external trade with the West that made such changes. Before that, the Third World countries' showed that the backwardness are domestic and that external commercial contacts were beneficial. There has been talk of the prices of Third World countries product on the world market. It is important to take into consideration that, prices are determined by market forces. Simply, demand and supply. The West does not fix and predetermine those prices of output produced by Third World countries. That not withstanding, we must be quick to acknowledge that, products of Third World countries have enjoyed consistent prices increase on the world market. Peter Bauer acknowledged that *'when changes in the cost of production, the great improvement in the range and quality of imports, and the huge increase in the volume of trade are taken into account, the external purchasing power of Third World exports is now relatively high, probably more than ever before. This situation has made it easier for government to retain larger proportion of export earnings through major increases in mining royalty rates, export taxes and corporation taxes.'*

What about the issue of dumping? There is the general notion that dumping kills infant industries by under pricing goods and services imported. But we should consider that, prices of imported goods by the Third World countries are cheap because of the efficiency of industries in the West producing them. In any case, these goods seen as dumped are goods that are actually needed by the Third World countries. Industries in the Third World countries are not able to produce enough to feed the ever increasing population. These goods are thus actual necessities, and that without these supposedly dumped goods, life in most Third World countries would have been unbearable. The coining of the word *'dumped good or product'* is thus unacceptable. The right word should be *'abundance of necessity'* thanks to the innovation of the West. Thus, Third World countries should rather thank the West for been innovative in their production activities.

The argument of dumping that result in the collapse of infant industries in Third World countries is a rather disturbing one. This argument implies that in effect Third World lack the ability to decide for themselves, how best to spend their own hard earned incomes. They are looked on as children or even as puppets manipulated by foreigners at will (Peter Bauer). Are we then looking down on the self esteem of individual living in the Third Worlds? This is a definite no. If this answer is boldly negative, then it also intends negates the argument. Individual living in Third World countries are people of unique intelligence, high self esteem and extremely thoughtful. The argument of dumping is thus null and void. If Third World countries have taste and preference tilted Western goods and that have accepted selectivity and not indiscriminately goods and services provided by the West we must live the situation as it is. An attempt to read into the meanings of their attitude and behaviors will warrant an indictment on the character of Third World countries.

The argument

- That the economic future of the third world depends largely on Western aid, grants, loans and donations
- The past exploitation by the West explains Third World sluggishness in growth
- That economic fortunes past, present and future are determined and predetermined by the West and
- That manipulation and unfair imbalances of international trade by the West and other forms of Western unpredictable misconduct account for persistent and continuous poverty

only point to one idea - the idea that the West is superior to the Third World countries. This is rather an interesting situation. What is important to point out is that Third World countries do not agree to this point - the point that the West is superior to them. If they don't agree, then the above argument can easily be cancelled out. In effect whatever economic development growth and/or decline is the sole responsibility of third World countries themselves.

### 3.0 OTHER ISSUES

#### 3.0.1 HUMAN CAPITAL DEVELOPMENT AND PRODUCTIVITY

Let's consider other issues that have eluded proponents of Western guilt. We first consider the issue of human capital development and productivity. As usual let's begin with this quote from Shiva Naipaul who writes about the Zambian economy. He states

*...expatriates staff the mines, the medical services, the factories, the technical college, the universities. Without them, the country would fall apart. Zambia makes nothing: Zambia creates nothing. The expatriate lecturers in English waved apologetically at the handful of books, perhaps half a dozen on the library shelf. 'There, he said 'that's it. That's all the Zambian literature there is. For him, the paucity is a source of genuine embarrassment. I would dearly love to teach something Zambian to any students. But what can I do if there's nothing..<sup>5</sup>*

This Zambian situation described above does not pertain to only Zambian but to the rest of the Third World in general especially Black Africa. 6<sup>th</sup> March 2011 marked the celebration of Ghana's 54<sup>th</sup> independence. Ghana will by then be 54 years of self-government, but Ghana still export raw bauxite (the sand that contains bauxite) to UK for processing into alumina and even sometime silver. Ghana still export raw gold bars, raw cocoa beans and the list goes on and on. After 54 years of independence, Ghana has not been able to do anything to change the agrarian-raw materials producing economy handed down by our colonial masters. After Tetteh Quashie brought the Cocoa bean from Phenamdopo in 1854, Ghanaians will have to wait for the British to start research and plantation into the usefulness of Cocoa before it became beneficial to us. Large tracts of jungle or semi desert were turned into productive land. Now Cocoa is almost the backbone of the Ghanaian economy. What have happened to the human capital in the country? The fact that a million or so years ago an important stage in evolution may have taken place in Africa has nothing to do with what has happened there in historical times. If the Garden of Eden has decayed, it is because its inhabitant has neglected it (*Peter Beuer 2000, A liberal*

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<sup>5</sup> Shiva Naipaul, *North of South: An African Journey*, London, Andre Deutsch, pp. 233

*Death Wish*). If we decided to inquire about the personal, social and political determinants of economic achievement and progress of Third World countries the results found will be bizarre. Leadership in Third World countries lacks the political will because of personal and selfish gains at the expense of development and growth. Leadership and individuals in Third World countries lack the personal attributes and motivation the social and political conditions and will power to ensure sustained progress. We can ask one big question? To narrow down the question, why did Ghana have to wait for Kosmos Energy (An Oil exploration company) to explore and identify Oil in commercial quantities and start the drilling process in December 2010 after about 50 years of which the oil has been there? Why should Ghana still export bauxite, gold, manganese, cocoa and almost all the raw materials in their raw form? Why did Third World countries wait for Europeans to explore, develop, process and market them?

Development and growth backwardness amidst over abundance of natural resource is anomalous, paradoxical and surprising. If this is the case, then development of human resource should be key. If Third world countries have followed the foot print of human resource development, the issue of western guilt would have been be null and void. Rapid advanced and large-scale achievement of societies with negligible physical/ natural resource but massive development in human resource such as Venice, British, Japan and more recently Hong Kong, Singapore and Taiwan are evidenced all over. This means Third World countries especially Africa would have been way ahead of all the rest of the world if they had developed their human resource coupled with the amount/quantity of physical capital at their disposal. The physical resources of advanced countries were developed by their people themselves, as for instance reclaiming of large parts of Land from the sea as in the case of the Netherlands and generally improving the land. African backwardness amidst ample natural resource is only one conspicuous example of the fact that material progress depends on personal qualities, social institution and norms, and political arrangement which make for endeavour and achievement, not simply physical resources (*Liberal death Wish*. Pp. 76).

### 3.0.2 CORRUPTION

The following is an excerpt of a newspaper report by Ghana's ace Journalist, Anas Aremeyaw Anas, on corruption at only one revenue collection point - The Tema Harbor.

*...A veritable commercial beehive; the economic nerve centre of Ghana, sits on the shores of the Atlantic and overlooks the bubbling big blue sea. The sea breeze seems to have been directed purposely to produce a calming effect on the crammed and torrid atmosphere and on the bristling pace of business. The national flag, the Customs flag, and that of the Ports and Harbours go fluttering and flying at full mast. Gallant men and women resplendent in their uniform complete with their berets embossed with the sacred Coat of Arms, walk around in high morale. Businessmen in their tuxedos and clearing agents crisscross, moving from office to office with an air of tenacious dedication. Do not be deceived, some of these men in Ghana's iconic harbour city are busily stealing from the most fertile vineyards of the motherland...*

*...The Tema Harbour has been turned into a goldmine for some greedy security officials who are threatening to strip the mine facility to satisfy their selfish ends. Many officers from CEPS, the Ghana Police Service, National Security and the Ghana Ports and Harbours Authority would do all it takes in the scramble to possess a piece of the prize. It is a dark and murky world at the Tema Harbour, as these security officials collaborate with some clearing agents to steal money belonging to the state through tax evasion, bribery and personal greed, thereby defeating the nation's revenue mobilization efforts. Invariably, potential investors, importers and ordinary Ghanaians are made to bear the brunt of the selfishness and greed exhibited by these officers and agents because prices are passed over...*

*...These discoveries follow over three months of investigation by The New Crusading GUIDE into the operations of the Tema Harbour. Posing as a clearing agent under the name "Oblitey Sowah", alias "Koose" from "Tiger Shipping agency", Anas Aremeyaw Anas, together with a team of agents, obtained secret video footage on the daily cases of bribery and corruption that greet any importer or businessperson who calls at the port. Most importers are made to face the harsh realities of delays, payment of illegal fees, destruction and stealing of their goods as well as the sheer greed displayed by some security officers. The investigations also brought to light multiple cases of bribery, corruption, stealing, several cases of collusion between security officials and clearing agents as well as loss of goods belonging to importers as a result of inadequate security measures at the facility. The investigation uncovered some of the worst forms of bribery and corruption, lack of professionalism and glaring examples of stealing by these security officials at the port...*

*...Here, we discovered that monies lost in bribery, corruption and some tax exemptions could help usher Ghana into an era of freedom from foreign donors. 'DODGY "AWAITING PARLIAMENTARY APPROVAL", THAT NEVER WENT TO PARLIAMENT'. Many Businessmen*



and friends of politicians have over the years used their association to parliamentarians to evade taxes whenever they clear goods from the Tema Harbour. These individuals sometimes import goods in their names for family members and their companies. Between March 2007 and December 2009, over **GH¢ 900 million** worth of tax exemptions was granted to some individuals and institutions in the name of "Parliament". Further figures obtained between January and November 2010 indicate that approximately **GH¢ 17.9 million** was lost by the state as a result of these special permits in the name of Parliament.

..It usually is a tale of toil defeated by treachery, as Ghanaians who return from the Diaspora are always greeted with the grim reality of seeing their hard-earned properties stolen and destroyed by men at the Tema Harbour. Becky Mensah is a Ghanaian-born philanthropist based in Canada. In January last year, Becky, with the help of some friends and benevolent institutions in Canada, collected some materials to help students of an educational institution in Cape Coast. They shipped a 40-foot container loaded with educational materials, computers, sewing machines, food items and a boxful of household effects to help support Ghanaian school children. Although the container, which was addressed in the name of the Paramount chief of Cape Coast, was originally destined for the Takoradi Harbour, it never arrived. Becky eventually had to travel from Canada to Ghana to locate it. After a long search, the container records were finally found at the Tema Harbour in June 2010. She was asked by Port authorities to pay the necessary duties in order to have her container released. With the help of her agents, she paid the required fees, totaling about GH¢ 5000. Yet, it took another five months and a trip back to Ghana to see her container. When she finally got access to it in November 2010, it had been broken into, with almost half the humanitarian items stolen. "When we got there, the customs officer checked without tag on our papers, the tag number and check the thing that closes the container, the seal that seals the container and the numbers did not match but the thing that was to my surprise was one of the carrier there just got closer to it and he just wiggled the thing and the whole thing opened", she told *The New Crusading GUIDE* in an interview. Among other things, three laptops, 800 stuffed backpacks for students, 68 bedspreads, 4 sewing machines, a boxful of household items and several bottles of water were stolen. Nobody gave her any answers and she had to make do with a half-empty container which she took to Cape Coast to support needy students. Becky has finally returned to Canada after this trouble with port authorities. In all, she lost goods worth over one 120,000 dollars. Like Becky, countless individuals have harrowing tales of abuse they endure when they ship goods from various destinations to Ghana through the Tema port...

..Johnson Clarkson, an investor from the United Kingdom also faced a similar ordeal at the port. In an interview with *The New Crusading GUIDE*, he narrated how over hundred bicycles which he shipped from the United Kingdom to support Ghanaian farmers in the Brong Ahafo Region got missing...<sup>6</sup>

We use this newspaper report to form the basis for our discussion on corruption in the Third World Countries. This is not to suggest that, there is no corruption in

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<sup>6</sup> *The New Crusading Guide Newspaper*, report by: Anas Aremeyaw Anas, Feb 2011

the Advanced countries. Far from it as corruption in the later is much more sophisticated. But we shall focus on corruption in the Third world countries as this is the major discussion point.

CORRUPTION is an ancient problem. In a discourse on public administration dating back to the fourth century B.C. in India, Kautiliya writes in his *Arthasastra*:

*Just as it is impossible not to taste the honey (or the poison) that finds itself at the tip of the tongue, so it is impossible for a government servant not to eat up, at least, a bit of the king's revenue. Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servants employed in the government work cannot be found out (while) taking money (for themselves).<sup>7</sup>*

Corruption is defined by the World Bank and Transparency International (TI) as “the misuse of public office for private gain.” As such, it involves the improper and unlawful behavior of public-service officials, both politicians and civil servants, whose positions create opportunities for the diversion of money and assets from government to themselves and their accomplices. Corruption distorts resource allocation and government performance. The causes of its development are many and vary from one country to the next. Among the contributing factors are policies, programs and activities that are poorly conceived and managed, failing institutions, poverty, income disparities, inadequate civil servants' remuneration, and a lack of accountability and transparency.<sup>8</sup> Evidence of corruption becoming “accepted behaviour” can be found in the above excerpt from the newspaper report.

Corruption evident itself in various ways and it is useful to distinguish between Personal Corruption (motivated by personal gain) and Political Corruption (motivated by political gain). A further distinction can be made between

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<sup>7</sup> Pranab Bardham, *Corruption and Development: A Review of issues*, Vol XXXV, Journal of Economic Literature, Sept 1997.

<sup>8</sup> United Nations Office for Drug Control and Crime prevention, *Prevention: An effective tool to reduce corruption*, Vienna, December 1999. p. 3 - 4

individual corruption and organizational or institutional corruption. In the context of the state, corruption most often refers to criminal or otherwise unlawful conduct by Government Agencies, or by officials of these organizations acting in the course of their employment.<sup>9</sup>

Nye et al defines corruption as a behavior which deviates from the normal duties of a public role because of private – regarding (family, close private clique), pecuniary or status gain, or violates rules against the exercise of private-regarding influence. This includes such behavior as bribery (use of reward to prevent the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding use).<sup>10</sup>

In all the definitions of corruption given so far, it could be observed that corruption is seen as among others, the abuse of public office, the abuse of all offices of trust, misappropriation, private gain etc. Corruption operates within a system and can even be said to be a product of an economic system, such as capitalism which was handed down by the West and which has as its political philosophy of democratic pluralism.

UNODCCP<sup>11</sup> identified four different types of corruption. These include;

- **Petty corruption** practiced by public servants who may be basically decent and honest individuals but who are grossly underpaid and depends on small bribes from the public to feed and educate their families. This activity could also be called distortion as most of the time the bribe is demanded by the service provider rather than offered by the public. In a recent survey (Aug 1998) of 18412 households in Uganda, 63% of the

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<sup>9</sup> Karbo A., H., *Corruption: Definition and Concept Manifestation and Typology in the Africa context*, Aberdeen, 2006

<sup>10</sup> Joseph Nye, *Corruption and Political Development: A Cost-Benefit Analysis*, American political science review, Vol. 61, No2, 1967

<sup>11</sup> UNODCCP stands for United Nations Office for Drug Control and Crime Prevention.

public reported to have paid bribes to the police, 55% to the judiciary and 39% to local administration.

- **Grand corruption** is when high-level public officials and politicians make decisions involving large public contracts or projects financed by external donors. This corruption is motivated by personal greed. The money or assets from such corruption usually is transferred to individuals or political party coffers.
- **Episodic corruption** is when honest behaviour is the norm, corruption the exception, and the dishonest public servant is disciplined when detected; and
- **Systemic corruption** channels of malfeasance extend upwards from the bribe collection points, and systems depend on corruption for their survival.

Corruption can also be categorized in other ways. A distinction can be made between benefits that are paid willingly (bribery) and payments that are exacted from unwilling clients (extortion). Another way to categorize is to differentiate between bribes paid for what a client has a legal right to receive and bribes paid to receive benefits belonging to others<sup>12</sup>.

Corruption in Third World countries are caused by a number of factors. The causes of corruption may vary from one country to another in Third World 'societies'. Since the causes differ, and because of the number of different variables which are involved, it is quite difficult to attempt to achieve a global list of factors. However, based on much research, this work will adopt the three

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<sup>12</sup> United Nations Office for Drug Control and Crime prevention, *Prevention: An effective tool to reduce corruption*, Vienna, December 1999. p. 5

distinct factor put forward by Maria Gonzales de Asis. Marai et al identified three thematic areas for the causes of corruption. These include;

- The pervasive incentives
- Lack of public information and transparency
- Lack of accountability<sup>13</sup>

The existences of pervasive/ inescapable institutional incentive contribute to the ever increasing likelihood of corruption to occur in Third World countries. The tendency for corruption to increase takes a new swipe as official (government) are given new responsibilities and functions and as more official are expose to providing quality services with a limited budget. This issue of limited budget opens a whole new door for these officials to exploit new ways of offering these services. Common pervasive institutional incentive as Maria et al, 2000 identified are *the lack of efficiency, arbitrary discretion, excessive complexity, low salaries, pressure from superiors, unpredictability of administrative produces used to provide public services, low quality of public administration, lack of key sources of city revenue and existing kinship ties, civil traditions/pride and non-merits based appointment and/or promotion.*

The lack of public information and transparency enables officials (government) to maintain the atmosphere of confidentiality necessary for corruption to continue. When information is treated as confidential in Third World countries, the opportunity for corruption increase even in countries (Third World) that have pass the freedom to information law which is very much operative. The sensation of secrecy Maria et al noted, 'surrounding government officials reinforces public perception of potential wrongdoing thereby increasing the incentive for corruption and decreasing the incentive to generate and saves the countries resources'.<sup>14</sup>

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<sup>13</sup> Maria Gonzales de Asis, *Reducing Corruption at the Local Level*, World Bank Institute, 2000, p. 2

<sup>14</sup> Ibid, p.3

Lack of accountability and liberty if official are captured also tend to ensure the practice of sustainable corruption in Third World Countries. Control of power and the knack to subjectively make decisions without accountability a very important incentive for corruption. Control/ Power without accountability could be an incentive for corruption. If a man strives to take or give bribe, he is likely to do so if he knows that nothing will happen to him. Maria et al writes “*officials are tempted by corruption when the gain (or perceived gain) is greater than the penalty if they are caught. Corruption in this sense is a rational choice based on calculation, a ‘Crime of Calculation’<sup>15</sup> ”*

Other causes of corruption in Third World countries are historical and cultural factors. Different writers attribute Third World countries’ different rates of corruption to particular historical and cultural traditions. A surprising range of national cultures, spanning all continents, have been thought conducive. According to Guy Wint: "In nearly all Asian countries there has always been a tradition of corruption. Public office meant perquisites". "Corruption in India, has with the passage of time, become a convention, a tradition, a psychological need and necessity so to say."<sup>16</sup> Argentine playwright Mario Diament asserts that: "corruption in Latin America is not merely a social deviation; it is a way of life."

Other writers also argue that a culture of distrust and selfishness fosters higher rates of venality than occur in communities where generalized trust and civic engagement are strong. Distrust and suspicion enhance the demand for corrupt services on the part of private agents. The greater perceived uncertainty of entering into partnerships with strangers may impede legitimate private business activity. This may render transactions with family members and close acquaintances—including corrupt exchanges with friends in public office—relatively more attractive. The suspicion that competitors are getting ahead

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<sup>15</sup> Marai Gonzales explained *Crime of Calculation* as that, a specific criminal will consider the benefits and cost deriving from its commitment as well as the benefits and cost abstaining from its commitment

<sup>16</sup> Daniel, Treisman, *The Cause of Corruption: A Cross-National Study*, University of California, Los Angeles, 1997.p. 3

through corrupt acts and that regulatory officials will impose predatory sanctions if not paid off may make a business strategy of keeping one's hands clean seem counterproductive. At the same time, the lack of trust and civic engagement may increase the supply of corrupt services by reducing the danger to officials of being exposed and punished. Societal organizations to monitor and protest abuses will be weaker.<sup>17</sup>

A related argument links corruption to ethnic division. In deeply divided societies, the demand for corrupt services may be higher at any given price. For one thing, generalized trust is likely to be lower. Members of ethnic groups may feel that demanding favors from co-ethnics in office is the *only* effective way to obtain government services. At the same time, the supply of corrupt services may be increased by the social leverage that ethnic leaders have over officials of their ethnicity: fear of social isolation may make them reluctant to refuse their co-ethnics' demands. Various scholars have argued that competition between different ethnic groups within the same state has at times fostered patronage politics and bureaucratic predation.<sup>18</sup>

Another cause of corruption in Third World Countries is Economic Development. Both the demand for and the supply of corrupt services may be greater in less developed societies (Myrdal 1970, p.237; see also Ekpo 1979). Social arrangements in reference to corruption are often thought to differ with the level of economic development. In "traditional" societies, such transactions may not be clearly denounced, reducing the danger for those on both sides of the corrupt exchange. According to Gunnar et al, in underdeveloped countries "*a bribe to a person holding a public position is not clearly differentiated from the 'gifts,' tributes, and other burdens sanctioned in traditional, pre-capitalist society or the special obligations attached to a favor given at any social level.*" Because many Third World countries are still pinned to their 'traditional' societal means of governance, corruption has been very difficult to deal with. Especially, in countries where there is no clear cut difference between what a bride is and what

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<sup>17</sup> *Ibid*, p. 4

<sup>18</sup> *Ibid*, p. 5

a gift is. Third World countries have not only been a victim of 'traditional' societal down pinning, but also a victim of modernization of their societies as put forward by some writers.

The last cause of corruption this work will consider is political institutions. In a general form, the size of the state may influence the supply of corrupt public services. Tanzi et al (1980) found a simple positive relationship between state size and corruption<sup>19</sup>. Thus if this is anything to go by, Third World countries such as Nigeria is more likely to suffer a high supply of corrupt service than other smaller state. The greater the share of GDP redistributed by government, the greater the swags for corrupt allocation. In Third World countries where government expenditure and/or wages forms large part of GDP by expenditures, corruption is likely to be very high as these resources land in the hands of self-centered public/ government official. Similarly, the more officials there are in public office, the more potential bribes available. This again is seen in Third World countries where people are employed to work in place where machines are employed to work in developed countries. The presence of these individuals calls for bureaucratic process which is a very good foundation for corruption. The more meritocratic is recruitment and the greater the extent to which bureaucracies offer predictable and rewarding long-term careers, the greater may be a bureaucracy's internal discipline and the greater the incentive for staff to avoid possible dismissal.<sup>20</sup> Again, when bureaucracies are more decentralized, with less internal discipline, bureaucrats may compete to extract maximal rents. In more decentralized or federal states, the burden of corruption may thus be greater. This may also explain why corruption is much prevalent in Third World countries because of a federal state system adopted by these countries.

Other writes have concentrated on the degree of corruption in an economy and political stability/instability. Some authors argue that by shortening the time

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<sup>19</sup> Tanzi Vita (1994), *Corruption, Governmental, Activities and market*, IMF working paper, Washington DC: IMF

<sup>20</sup> Evans Peter and James Raus, (1997), *Bureaucracy and Growth: A Cross-National Analysis of the effects of Weberian State Structure on Economic Growth*, manuscript, UC Berkeley.



horizons of those in power, political instability inclines them to make money fast and crudely rather than to moderate their current appetites for the sake of future earnings. Wars, civil wars, revolutions, and other occasions on which legal and social order is weakened are often times of rampant abuse of power. Prevailing disorder may also reduce the danger of being detected and punished.<sup>21</sup> Thus because of political instability in most Third World countries, corruption is very much prevalent. Years of political instability tend to sweep away evidence of malfeasance and these officials, go unpunished.

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<sup>21</sup> Daniel, Treisman, *The Cause of Corruption: A Cross-National Study*, University of California, Los Angeles, 1997.p. 9

### **3.0.3 EFFECTS OF CORRUPTION**

The effects of corruption are enormous and we shall take a close look at these. Corruption has its adverse effects on investment and growth. A payment of bribes to get an investment license clearly reduces the incentive to invest which is mostly the case in Third World countries. One might add that in the taxation system of many countries, negative profits (losses) can be deducted from taxable investment income, but there is no corresponding loss offset in the case of bribes so that the latter are particularly harmful for risk-taking in the context of innovation<sup>22</sup>.

In Third World countries, it is very common to find that government officials easily divert input for development project such as machinery, building material, office stationary etc., to their own personal use/benefits. Which means that the inputs that were hitherto be used for development to help alleviate the plight of many individuals are channeled for the benefit of one person. Again higher amount of resource paid in bribes is likely to reduce the profitability of investments that were needed for the survival of such investments. The result is the early collapse of such investments with its attendant problems. Another deep problem is that innovators seem to be at the mercy of corrupt government officials. This is because these government officials will have to supply goods and/or services such as license and permit. It is clear that these officials will demand higher amount of resources in return for these services. If higher gains are not made on the new product to offset these cost, then it means a total collapse of an idea that would have been a major driving force for an economy.

Some writers have been able to statistically collate the growth rate of a country to the corruption levels. The result found a significant negative relationship between the corruption index and the investment rate or the rate of growth. A one-standard-deviation improvement in the corruption index is estimated to be associated with an increase in the investment rate by about 3 percent of GDP. The

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<sup>22</sup> Pranab Bardhan, *Corruption and Development: A Review of Issues*, Journal of Economic Literature, 1997, p. 1327

negative relation seems to hold even in subsamples of countries where bureaucratic regulations are reported to be cumbersome, indicating that corruption as a way of by-passing these regulations may not have been very beneficial.<sup>23</sup>

In table one; we extract a list of ten (10) countries from the original seventy (70) countries used in the research by Mauro (1995). We group the countries into two sets – ‘**A**’ and ‘**B**’. Country set **A** includes a list of five Advanced Countries and country set **B** includes a list of five Third World countries. We added two more rows which address the index of corruption and the index of the efficiency of the legal system. The table is presented below. Please read the underlying note carefully:

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<sup>23</sup> *Ibid*, p.1328

**Table 1**

Country set 'A' with Higher GNP per Capita	Index of Low corruption	Index of efficiency of the legal system
Switzerland	10	10
Norway	10	10
Germany	9.5	9
France	10	8
Belgium	9.75	9.5
Country set B with Higher GNP per Capita		
Egypt	3.25	6.5
Iran	3.25	2
Ghana	3.66	4.66
Pakistan	4	5
Haiti	2	2

**Source:** Even though Mauro(1995) undertook the calculation, the extract was obtained from Bardhan (1997). The scale is 10 for no corruption to 0 for Maximum corruption. The indices are based on standard questionnaires filled in by business international correspondent stationed in about 70 countries in 1980-1983. It is likely that the indices reflect what are faced by foreign businessman in a country, not necessarily what owns citizen face.

Again the author only extracted 10 countries out of the original 70 countries to ease in the analysis and with slit modification. But the figures were not affected by the modification.

From the table, it is clear that the higher a countries' level of GNP, the lower the corruption index and the lower the countries GNP, the higher the corruption index. This indicates that one major problem hampering the development of Third World countries is corruption. If Third World countries undertake serious steps in fighting corruption, it will serve as a major spring board for their development index of blaming the West for their woes.

Further investigations have again reviled that over the last 100 years, corruption has generally declined with economic growth increasing in most rich countries and in some developing countries that have made continuous efforts of growth such as Singapore.<sup>24</sup>

Another effect of corruption is that, it might reduce the usefulness of aid flows through the diversion of funds from their intended projects. Most likely where monies are not used for their intended purpose, donors might scale back their funds. Corruption may also bring about loss of tax revenue when it takes the form of tax evasion or the improper use of discretionary tax exemption. The reduction in taxes implies that there will be budgetary consequences. Again, corruption may affect the composition of government expenditure. In other words corrupt government officials may come to prefer those types of expenditure that allow them to collect bribes and to keep them secret<sup>25</sup>. The consequences of corruption in Third World countries are thus enormous.

We conclude this section with a quote by Maria Gonzales de Asis. Maria writes, '*... Corruption distorts the allocation of local resources and the performance of local governments. The praxis consequences of corruption are poor public services, increased social polarization, inefficiency in public services, low investment in the municipality and decreased economic growth. Combating corruption is crucial to the broader goal of achieving more effective, fair and efficient local government. The rationale for curbing corruption should not arise from the perception of corruption as 'immoral' and 'ethical behavior'. Rather, the rationale should be the negative impact that corruption has on economic development and on investment, and its role in deepening poverty in the local governments...*'<sup>26</sup>

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<sup>24</sup> *Ibid*, 1329

<sup>25</sup> Paola Mauro, *The effects of Corruption on Growth, Investment and Government Expenditure: A Cross Country Analysis*, p. 88

<sup>26</sup> Maria Gonzales de Asis, *Reducing Corruption at the Local Level*, World Bank Institute, 2000, p.

#### **4.0 THE VERDICT AND CONCLUSION**

Part one of this work was dominated by the ideas of the proponents of Western Guilt. They argued on lines Colonization, Slave trade, Neo-colonialism and Trade barriers. Various arguments regarding the responsibilities of the West as a major adversary to the development of Third World countries were put forward by these proponents.

Part two also considered the arguments of the opponents of Western Guilt. Various opponents especially Bauer P., argued on the same line but showed the importance of Slave trade, Colonization and Neo-colonialism.

In all of these arguments, the author believes the growth and development of Third World country lies in their hands. The West has limited or no control over Third World countries if they decide to undertake a rigorous policy that will ensure sustained development.

Third World countries should thus 'take their own destiny' into their hands. It is true that the West has caused more havoc but they have also been tremendous advantage to Third World countries. It is time for Third World countries to use these advantages as a major spring board and a good foundation for their developmental progress regardless of how small it might be. The author believes that accepting the challenge of economic progress and development is a major boost for Third World countries.

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