

PART I

THE PROBLEM

## Introduction: The Global South in a “Compartmentalized World”

The Global South is relatively neglected in research about our “compartmentalized world.” The volume of publications on inequality has increased five-fold since 1992, but many of these focus on the top 1 per cent of households located in the Global North (International Social Science Council, 2016), much like Thomas Piketty’s work (e.g., Piketty, 2014), and others published in leading journals and magazines such as *Social Forces* (see, for example, Kwon, 2016), *Regional Studies* (see, for example, Kane and Hipp, 2019), and *The Economist* (see, for example, *The Economist*, 2019). Yet, both spatial and social inequalities are widespread and increasing within and between groups in Africa and between Africa and the rest of the world (Obeng-Odoom, 2013b, 2014a; Smet, 2019).

So, in this book, my focus is on stratification in the Global South or what Frantz Fanon (1961) called “the wretched of the earth”; their experiences of appalling economic inequalities; the dire implications for society, economy, and environment; why this compartmentalization continues to deepen; and what can be done about it. Analytically, the focus on stratification provides a more comprehensive approach to studying the Global South because the concern about stratification leads to additional questions about inequality in relation to whom, what, where, why, and how, and hence throws the searchlight on the bigger question of “economic backwardness” in the Global South.

According to Alude Mahali and her colleagues (2018, p. 3), we should understand the Global South to be “the countries of Africa, Central and Latin America, the Pacific and Carribean islands, and most of Asia.” I accept this geographical interpretation of the phrase, but I apply it in a broader sense to include those social relations in the Global North that resemble or shape conditions that pertain to geographical Global South (think of, for example, black Americans and the Indigenous peoples of Australia). Politically, the focus on the Global South emphasizes its revolutionary potential, as Samir

Amin repeatedly stressed (see, for example, Aly Dieng, 2007). Analytically, focusing on the Global South more widely addresses the widespread problem of methodological nationalism (Gore, 1996; Connell, 2007; Marois & Pradella, 2015) in explaining development, underdevelopment, and alternative development. Although there is the danger of overgeneralizing, the countries in the Global South share many experiences, including chattel slavery.

Yet, almost all the political-economic analyses of the current extreme global economic inequalities focus mainly on capitalism quite a recent economic system, as the root of the problem and neoliberalism as the conveyor belt. Indeed, Alfred López's (2007, p. 1) introduction to the journal, *The Global South*, delimits the periodical's mission to only "three areas: globalization, its aftermath, and how those on the bottom survive it." Although useful, this diagnosis must be situated in a broader view of the nature of Western civilization and its aggressive expansion into the Global South. Historically built on a philosophy of exclusion, monopoly, and a superiority complex, Western civilization fueled chattel slavery, imperialism, colonialism, neo-colonialism, environmental pillage, and shocking forms of patriarchy (Ince, 2018). Its "discourse upon the origin and foundation on the inequality among mankind," to quote Jean Jacques Rousseau (1776), is patronizing. Its apostles tend to claim that the root of inequality can be either nature or nurture and that even conventions impelling inequality are patterned after natural forces (Rousseau 1776). These claims are insidious and toxic, but they continue to be accoladed when disguised as academic research, seeking to 'prove' that all these forces are 'history' (see, for example, Maseland, 2018).

The Euro-American historical experience recalls the penetrating analysis by Frantz Fanon (1961) of the compartmentalization of the world in which nobody cares about "the Wretched of the Earth," Fanon's version of the Global South. Slaves were disproportionately colored and the colonizer subjected colored peoples to the most degrading forms of work only to force them out into townships and shanty towns as they were considered "subhuman" (Beckles, 2013), or, as tools, human capital (Hodgson, 2014). The justifying veil of "cultural difference" used as the logic for compartmentalization was eventually torn apart and burnt by fiery revolutions which, for a while, appeared to disrupt the shocking levels of compartmentalization and appeared to be bringing the "wretched of the earth" to the fore. Yet, with the rails and the chains of the veil and the system unbroken, racialized compartmentalization continues to reassert its ugly soul moulded in the furnace of neo-colonialism, capitalism, and imperialism.

Further, the drama of compartmentalization continues, and is arguably magnified, in today's gilded age. With some prevarication, the International

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Social Science Council appears to jubilate that the number of publications on the issue has increased in recent times. However, inequality was always an issue: as has been evident in the plunder of resources in Latin America and Africa and the underdevelopment of the Pacific, the Middle East, and many parts of Asia. Many in Indigenous communities have been living in traumatic conditions while many of their white neighbors have so much more to eat than they need and more than is healthy to consume. Such stark contrasts have been the focus of Latin American scholars and many others researching the “development of underdevelopment” (e.g., Frank, 1966). So, why has the intense interest in inequality reemerged? The simple answer is – as Thomas Piketty’s *Capital in the Twenty First Century* (2014) demonstrates – inequality is increasingly becoming a major issue in the West. The West has always had a fever of compartmentalization, but this increase in temperature has reached threatening levels, which many fear that it could undermine continuing class- and race-based privileges. For once, it appears that there is some sort of shared interest with “the Wretched of the Earth” for a genuinely global approach to fight a common enemy. But even then, the focus continues to be placed on “the top 1 per cent” in the global core.

In principle, the field of “development economics” has adopted a mandate to broaden this narrow focus. Indeed, the idea of “development” was, for a long time, understood as a general social change in societies everywhere (for a brief history, see Obeng-Odoom, 2013a). However, in practice, development economics is quite limited even in terms of its sources of inspiration. Often drawing mainly on narrow neoclassical and new institutional economics (Akbulut et al., 2015), it has often tended to focus on how rich countries can help poor ones, usually through producing a cadre of Western-educated development specialists who travel from their homelands to help or criticize other nations and peoples. These self-appointed prophets, in turn, tend to train national and global cadres to develop local plans for local progress or pontificate on global ideals without any detailed understanding of local processes (Currie-Alder, 2016). Indeed, in many cases, development economics has created a situation where “public discourse has become public disco” with comedians and musicians performing on stage using preposterous stories to solicit aid to help the poor (Moyo, 2009: chapter 2). In the slums of Indonesia, development has created a theater where the poor recite poems about their poverty as entertainment for the rich who pass some crumbs to them for being able to artistically describe their material deprivation (Peters, 2013).

It seems that the “New Directions in the Political Economy of Development” (Rapley, 1994) in the 1990s have been rolled back. There is an emergent emphasis on “postdevelopment.” Characterized by the celebration of localist

interventions and ways of life, postdevelopment seeks to write the obituary of development itself because the life of development is the death of many (Rapley 2004; Ziai, 2015). Universalist claims popularized by celebrities often create cacophonous noise in the ears of diligent students of development genuinely pondering alternatives, but does a retreat to self-help, tradition, and pre-industrial society ideals address unresolved issues? A minute of silence is needed to ponder the words of the late Aime Césaire:

It is not a dead society that we want to revive. We leave that to those who go in for exoticism. Nor is it the present colonial society that we wish to prolong . . . It is a new society that we must create with the help of all . . . , a society rich with all the productive power of modern times, warm with all the fraternity of olden days. (Césaire, 1972: 52)

In my own contribution to the *Journal of Developing Societies* (Obeng-Odoom 2011), I tried to highlight some of the dangers of self-help and localism, including affinities between localism and some mainstream economic thought, the tendency of localist analyses to misdiagnose the development malady as a gigantism issue, and the penchant for localist advocates to overlook the power of reconstructing social relations and institutions across the globe. How do we close the gap, if we focus only on basic needs ‘in the Global South’ and do nothing about the startling high ceilings in the Global North and across the world (Stilwell, 2019)?

With all its weaknesses, development economics has been the source for insights on global economic inequalities. A focus on inequality started in the 1960s, as demonstrated in H. W. Arndt’s work, *Economic Development: The History of an Idea* (1987, pp. 97–100). However, this emphasis on inequality quickly petered out. Economists put the case for growth instead because ‘something must be grown before it is redistributed’. Since then, “inequality” has crawled on but more often slipped off the development agenda. Currently, development economics pays more and more attention to inequality, but only as “risk,” as a brake on economic growth, or as a hindrance to poverty reduction; not because it is the root of what W. Arthur Lewis, in analyzing economic development, called “racial conflict” (Lewis, 1985) or other conflicts in the Global South (Obi, 2009; Obeng-Odoom, 2019); not because inequality kills more than disease or limits the potency of healthcare programs (Obeng-Odoom & Marke, 2018; Wilkinson & Pickett, 2010; 2018); not because inequality helps explain the current socioecological crises and, indeed, undermines the struggle for a green and clean planet (Stilwell, 2017, 2019); and certainly not because inequality is unjust.

The relentless pursuit of economic growth is, in essence, the Holy Grail in development economics. As exemplified in the contribution of economists

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to the special issue of *Foreign Affairs* (vol. 95, no. 1, 2016) on “Inequality: what causes it, why it matters, what can be done,” if growth can be sustained then inequality will take care of itself (see Bourguignon, 2016). Indeed, even without exploring different types of growth and how they arise (Gore, 2007), or whether commonly utilized notions of well-being in the West are similarly useful in the Global South (Mahali et al., 2018), mainstream economists like David Dollar and Aart Kraay (2002) hastily declared that “growth is good for the poor”, an argument which, more recently, has been emphasized as “growth still is good for the poor” (Dollar et al., 2016).

In practice, whether it is growth, poverty, inequality, or any of the many changing goals and ends of development, development has become a patronizing notion that creates an idealized image of the West in the South or a unique/exotic image of the South as an “other.” Development has become an orgy of *Orientalism* (1978), to recall Edward Said’s masterpiece. Helping the poor is a common language, as is “sympathy,” whether it is in terms of evaluating interventions (program/project aid), or goals – be they Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs), or both. The award of the 2019 Nobel Prize in Economics for what the awardees call “the experimental approach to development economics” (see Banerjee and Duflo, 2009) further legitimizes the zeal to come across as “helping the poor”. Much less attention is paid to nuanced conceptualization of these goals (on SDGs, see Gore, 2016; on MDGs see Obeng-Odoom, 2012; and Obeng-Odoom & Stilwell, 2013). Questions about the growing power of unaccountable NGOs and foundations are seldom asked and even more rarely answered. As Clifford Cobb (2015) has recently publicized, without the accountability and scrutiny to which national bodies are subjected, foundations set the agenda and frequently divert attention away from structural causes of inequality to effects such as corruption of national governments, backward cultures, and differential levels of human capital.

POLITICAL ECONOMY, INEQUALITY, DEVELOPMENT,  
AND UNDERDEVELOPMENT

The political economy of development is sometimes seen as a salvation for these deficiencies in mainstream development discourses and practices. On the one hand, this optimism is appropriate. Political economists have offered analytical studies that show that what purports to foster development, in fact, could lead to its very opposite, underdevelopment. The “development of underdevelopment” happens on a world scale but also within and across countries. From this perspective, undeveloped (a state of

being untouched) is distinct from underdeveloped, which is a state of suppression and oppression (Frank, 1966). Many dependency theorists take the view that development is, in fact, underdevelopment. Geovanni Arrighi, for example, argues that development is an illusion (Arrighi, 1991; Reifer, 2011). He demonstrates that the pursuit of development leads to inequalities through assumptions and practices that reinforce a global system of dependency.

This development-inequality nexus, then, is structural. As a modernizing project, characterized by a compartmentalized world in which the “West” is “modern” and the rest is “traditional” and the latter has to look to the former (Njoh, 2009a, 2009b), the vision of development makes princes of the West and servants of the South. Similarly, within the West, development glorifies opulent white privilege, while downgrading other ways of life. The emphasis on GDP, as the ultimate measure of economic progress, for example, elevates commodified and wasteful ways of life detailed in J. K. Galbraith’s book, *The Affluent Society* (Galbraith 1958/1998), by measuring them positively. In contrast, as I note elsewhere (Obeng-Odoom, 2013a), the many informal economies that characterize economic organization in the Global South such as the nurturing and useful roles of caring for the home, the elderly, and the weak are overlooked in GDP estimates.

Thus, although its claims to superiority have often been scrutinized by scientific studies such as J. M. Hobson’s *The Eastern Origins of Western Civilization* (2004), this philosophy continues to destroy and extend its very logic of inequality. It creates dependency and mimicry that reinforces the privilege. According to Arrighi (1991), as the dominant groups set the agenda, they hide the fact that not all wealth can be democratically appropriated. Most wealth is oligarchic and, hence, is monopolized by a few. Even in terms of wealth supposedly obtained using some time-honored market principles, the few who control it actively seek to block the widespread access to its acquisition. This is what University of Cambridge political economist Ha-Joon Chang has called *Kicking Away the Ladder* (2002).

On the other hand, a new political economy is flourishing. Preaching social justice, a much bigger goal than to be found in mainstream development economics, the inclination of this new political economy is to seek respectability, technical correctness, and conventional policies for redistribution. Examples can be seen in Thomas Piketty’s important work and, curiously, in many of its critical reviews, including those published in the *Review of Radical Political Economics* (Reitz, 2016), *Metroeconomica* (Skillman, 2016), *Cambridge Journal of Economics* (Rowthorn, 2014), and *After Picketty: The Agenda for Economics and Inequality* (Bousehey et al., 2017). The focus on big data and technical formulae is commendable but

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their neglect of class, race, gender, and space not only as individual constructs but also their intersectionality, indeed linkage with the wider problem of uneven development obfuscates (Crenshaw, 1991). As an historical example, Engels’ book, *Origin of the Family, Private Property, and the State* (1884), gave us only a partial insight into patriarchy as it is centered on class formation and dynamics in capitalism without due consideration of precapitalist forms of patriarchy and how they shape patriarchy in diverse forms of capitalism. Simone de Beauvoir’s *The Second Sex* (1949/2009) brilliantly broadens the terms of the debate by examining patriarchy in other modes of production preceding capitalism, but forgets or downplays race. It is correct, then, for the black feminist, bell hooks, to ask in her 1981 classic, *Ain’t I a Woman?* (1981). Since that historic question, first posed by the black feminist Sojourner Truth, in 1851, the situation has worsened, or in optimistic analyses, remained the same or changed little as black feminists are recurrently marginalized, their work devalued, and their voices stifled in the major publications on feminism (Crenshaw, 1989; Medie & Kang, 2018). Such neglect weakens any *avant-garde*, as it did when Aime Césaire – a prominent black scholar and, notably, Frantz Fanon’s teacher – resigned from the French Communist Party, citing, as his reason, an insensitivity in left circles to everything other than class.

Yet, these forces intermingle, whether in *favelas* (Brazil), *aashwa’I* (Egypt), *bidonvilles* (France), or ghettos (USA). These spaces of color are created, (allowed to) exist, and expand to contain the colored peoples who served the colonial empire and to absorb the “reserve army of labor” after bouts of economic depression (resources extracted from colored peoples and their land) to its own race (UN-HABITAT, 2003; Njoh 2009a, 2009b; Milliar & Obeng-Odoom, 2012; Peters, 2013; Obeng-Odoom, 2015b; Fondevila and Quintana-Navarrete, 2019). It is, thus, futile to seek to explore – as mechanistic economics does – whether it is race or class that is more important in this drama of life. Truly dialectical and intersectional analysis can only show that it is both (for a detailed discussion, see Chibber, 2013; Warren, 2017) in addition to other forces. The slums of the “wretched of the earth” play an important role in absorbing redundant labor that simultaneously reduces the cost of the privileges enjoyed by white capitalist society. When this analysis cascades up, the entire Global South, the wretched of the earth, can be seen as the slums of the world. It is pertinent to ask why “the wretched of the earth” persist not in spite of but because of their subjection to the modernizing and patronizing logic of Western civilization, as this is at the heart of the compartmentalization of the world in which we live.



From these considerations, five key questions beg for answers; namely (1) what are the patterns and dimensions of inequality across the world? (2) What are the causes of inequality? (3) Why does inequality persist? (4) Why is inequality an important focus for political economic analysis? (5) What can and is being done about inequality and by whom? I seek to answer these questions with reference to Africa as a point of departure for preparing the ground for a new political economy of the global south.

#### THE PROBLEM, CONVENTIONAL DIAGNOSIS, AND MAINSTREAM PRESCRIPTIONS

Why Africa? Africa is the poorest continent in the world. Of the twenty-six poorest countries globally, twenty-four are in Africa (Harrison, 2011). More than 40 per cent of the population in sub-Saharan African (SSA) lives in extreme poverty. Although this represents a decline from the 1990 level of 57 per cent, the rate of poverty reduction in SSA is the slowest in the world. Poverty in Africa's growing urban centers is on the rise (UN, 2015). Across the continent, inequality is also on the rise within and between countries, groups, and classes. In spite of great expectations that Africa will "catch up" and, until recently, the recent resurgence of economic growth, the effect of growth has not consistently reduced poverty levels nor increased the share of Africa's GDP in the world economy. While Africa's largest economies, Nigeria and South Africa, grew substantially, their poverty levels remained either unchanged or increased (Lawanson & Oduwaye, 2014, see also Chapter 6). This "progress and poverty," as Henry George ([1879] 2006) once described the co-existence of affluence and want, can also be seen in the global sphere where, in spite of rising economic growth in Africa, Africa's contribution to world GDP has remained stagnant at 2 per cent since 2005 (United Nations Office of the Special Advisor on Africa (OSAA) and the NEPAD-OECD Africa Investment Initiative, ca. 2016).

Persistent inequality and poverty in Africa is typically explained as a function of the scarcity of human capital, the lack of physical capital, and natural capital problems. It is common to lump these problems together as a cultural problem (Gĩthĩnji, 2015). Theoretically, this "culture of poverty" idea – first developed by the anthropologist, Oscar Lewis (Wilson, 1992) – can be explained in two ways. The more conservative view, perhaps best presented systematically by the political scientist Edward C. Banfield (1976a) in *The Unheavenly City*, is that Africans have a culture that keeps them impoverished and, hence, no amount of public intervention such as decent schooling facilities for Africans can address their problems. The only solution is to assimilate

the black populations into white groups or to get blacks to copy the whites. A more liberal interpretation is that the “culture of poverty” arises from poverty itself. The poor devise this culture as a survival mechanism and, hence, public policy that is able to remove poverty can also remove the culture of poverty (Banfield, 1976b; Marmor, 1976). The work of African economist, Eiman Zein-Elabdin (2016), provides a detailed account of how economists treat culture in their analyses of Africa (see also Ramnarain, 2016), a point to which we shall return in Chapter 1.

At this stage in the analysis, it is sufficient to peel off the cultural label and unpack its contents. Figure I.1 attempts to do so.

This figure shows the interaction of three forms of capital that, the argument goes, individually, and in their relationships, spell doom for Africa. Africa lacks physical capital or the humanly produced factor of production. Human capital, considered to be analogous to health, education, and experience, is held by many leading economists to be the principal driver of productivity, wage levels, and whether there is a convergence of incomes and wealth across, within, and between social groups, but this human capital is also lacking in Africa (Schultz, 1951, 1961; Gylfason, 2001, 2011). Natural capital, or “natural stocks that yield flows of natural resources and services without which there can be no production” (Daly, 1990, pp. 249–250), are abundant in Africa yet Africa has not been able to utilize them for any special advantage.

The reasons for this state of affairs can be found in how the forms of capital relate to one another. These forms of capital are considered substitutable (Salih, 2001). That is, one could be used to obtain the other in the process of production. In this sense, total capital can be maintained by expanding physical capital, which is typically considered as the limiting factor. While ecological economists hold natural capital to be “special,” as

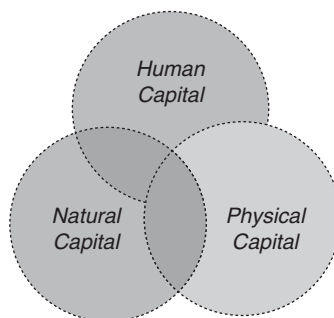


Figure I.1 Conventional diagnosis of poverty and inequality in Africa