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The Politics of Cold War, the Role of China and Singapore and the Lesson to Learn for African Countries

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Abstract:

Today, we live in a world where many societies are extremely poor, while others are exceedingly rich. In many countries in Africa, Asia and Latin America, millions of people are living in extreme poverty which as a result poor leadership style or lack of development that is responsible of our present situation in Africa.

China in modern history emerged into cold war environment at independence, but successfully adapted herself to the task of national building. The consciousness of her self-sufficient and export-driven strategy given her superior balance of trade and payment at all time, making it the fastest growing economy despite the global economic recession of 2008. Chinese adaptation of new strategies to changes in the global economy and the effectiveness of these strategies remain the source of discourse between various scholars in the area of political economy. Singapore has been rated as one of the top Asian country with the highest standard of living. About 90% of Singaporeans live in proper houses with modern facilities which the city itself is virtually slum-free. The country of Singapore has accommodated more than 3000 multinational companies from the developed world. (Yuen, 1998). Singapore has achieved astonishing economic achievements. Singapore's annual GDP growth rate from the 1960s to the 1990s has an averaged about 8% more than double or the 3.3% of the organization for economic cooperation development (OEDC) growth rate and more than three times the Us growth rate (Krugman,1994). So here, the main concern of this paper what lesson does African countries will learn from this countries in the area of technology enhancement and promotion of investment for the growth and development of Gross Domestic Product (GDP) in African Continent. On the basis of conclusion of this paper, the researcher recommended African countries to plunge out of current situations of poverty, diseases, unemployment, inequality and decay of infrastructural facilities, we must have a visionary leaders that surrounds themselves with experts that will develop policies and economic programs that will change things for better in Africa.

Keywords: Development, underdevelopment, technology transfer, investment, visionary leadership

1. Introduction

Development means different things to different people. To some people, it is the improvement of the economy, while to others, it is a political transformation. Yet to some people, it is the improvement of the social structure, while to others, Hence, the ultimate goal of development is to improve the people's welfare and quality of life by harnessing all available resources to meet their immediate and future needs of the people's. No society fully embodies all development ideals but there are some societies that have approximated or achieved these ideals to a reasonable degree such societies are regarded as developed. Dudley Seers (1969) posited that the questions to ask about a country development are that what is happening to poverty? What is happening to unemployment? What is happening to inequality? If the three of these declined from high levels, then beyond doubt, these have been a period of development for the country concerned. While Rodney (1972) views development in human society as many sided process. At the level of individual, it implies increased skills and capacity, greater freedom, creativity, self discipline, responsibility and material well being. At the level of society, development means increasing capacity to regulate both internal and external relationship.

Many scholars argued that ' underdevelopment is not absence of development or the death or human and material resources, rather it is the inadequate level of development in the third world countries (particularly Africa), which is caused by either external exploitation that dates back to industrial revolution and has continue till now in Form of globalization and or the internal problem of under utilization of the available human and mineral resources by the governments or the third world countries leaders as a result of corruption and bad governance style. Todaro and Smith (2004) argue that the phenomenon of underdevelopment is not merely question of economics or one qualitative measurement of income, employment and inequality. Under development is a state of the mind as much as a state of national poverty.

The issue of development or under development in Africa has fall out of the industrial revolution and the consequent export of capitalism and imperialism by the capitalist Europe, USA and Japan to the rest of the world, and the resultant exploitation or human and material Potentials. It is also partly caused by internal factors in Africa such as corruption And bad

leadership resulted to our present conditions of lack of basic social infrastructure, weak institutions, weak economy, backward technology, dependency, high unemployment rate, pervasive poverty, high crime rate, social crises and poor standard of living.

2. An Overview of Chinese Revolution

China is the most populous country in the world and the fastest growing economy in the world as well. It is also has a significant political power. It hosts one-fourth of the global population. China's global impacts are highly significant in terms of trade, investment, the good environment and governance. The birth of china as a nation in recent. History lies on the bitter civil war between the communists and nationalists in the 20th twentieth century, when the nation was harassed by Japanese colonialism which was not only exploitative, but also oppressive and inhuman. The atrocity committed by Japanese during this occupation has remained a subject of discord between two Asian powers, especially when the Japanese tried to justify her action in a history text which generated the "textbook controversy".

The victory of Mao Zedong led communist fighters over Chiang Kai-shek's Kuomintang (KMT) in 1949 and the declaration of people Republic of China on October 1st in 1949, marked the turning point in the struggle of china against perceived imperialism. The war against Japan was effectively won with end of the World War II and the defeat of Axis powers in 1944. Consequently, the Mao led government inherited dilapidated state, wrecked by both civil and international wars, embedded in agrarians economy in a sub-continental scale, but mobilized under the communist ideology which before the foundation of Chinese state building.

Chinese revolution show us the rise of china from dust of civil and international war in 1949 to the second biggest economy, after sixty years and how the Mao reforms in trade and foreign investment and the restricting of the industrial sector in the light of competitive mode and the need for profitability in state-owned enterprises (SOEs).

3. The Post - Mao's Reform of the Economy

Chinese economy remained close until the visit of President Richard Nixon in 1972, when the west started to establish diplomatic relationship with the communist state and ban on foreign Direct Investment was formally lifted. However, it was law permitting joint venture by dyeing Xiao-ping in 1979 that provided the needed framework for its implementation. Some four Special Economic Zones (SEZ), were established and given preferential tax-regime and administrative free hand to foreign firm's operations in Shenzhen, (border near Hong Kong), Xuhai (border near Macau), Shanton (border near tairon) and Xiamen (directly across Taiwon straits).

Interest was the lower taxation of 15% of income of foreign affiliated firms in the zones compared with the 33% prevailing rate for the domestic firms, so also was the tax holiday of two years. Besides, the zones were set up outside the industrial hubs of China to avoid the contamination of the domestic industries and economy. The success of the four zones opened the door for the approval of fourteen coastal cilices with similar concessions.

By 1986 further liberalization of the export trade was achieved with introduction of "Twenty Two Regulations" which removed the restriction of the location of foreign invested Enterprises (FIEs) and also reduce their taxes especially those invested in "export oriented" projects and "technology advanced", projects which improves the technological capacity of the domestic industry. In most cases, the central government handles the initial approval of the establishment of these FIEs but the administrative controls were left in the hands of the provincial authorities. The net effect of these was pairing of foreign direct investment in the 1 980s which slowed down after the Tiananmen Square killing in 1989.

By the turn of 1990, Hong Kong and Taiwan investors took advantage of cheap labour for export processing of their product to every part of the globe. The Japanese as well as western multinational companies also invest in China in order to benefit from the large market. China reformed her economy in such a way that export is encouraged while the domestic market is shielded from the dumping of western countries hence there is need for tightening of the import procedures for the domestic firm.

The China has five years economic plan (2006-2010) which lays more emphasis on "human resources, technology development and scientific approach to development". This position has signaled Chinese desire to transform the economy from the low cost exported machine to a highly technology hub capable of delivering the best in the competitive global economy.

4. An Overview of Singapore

The modern history of Singapore started in 1819 when Sir Stamford Raffles from the British East Indian Company arrived on the island at the southern tip of the Malayan Peninsula. After being bought by the British in 1825, with its amount of trade exceeding that of Malaya's Penang and Malacca combined. In 1826, saw the emerging of Singapore, Penang and Malacca into Straits Settlements, an outlying residency of the British East Indian Company. Only in 1867 the strait settlements, were formally made in to British Crown Colony (Yang 2004).

Singapore claimed its identity as one of the major ports in the world by the beginning of the 20th century due to the increased demands of rubber and tin which are abundant in the region, resulting from the expansions of the automobile and packaging industries in the developed world. (U.S Department of State).

Singapore was under Japanese occupation from 1942 - 1945 before returning to become a separate British crown colony in 1946. It first gained self-governance in 1959 before joining the federation of the Malaya, Sabah and Sarawak to form

Malaysia in 1963. During the same time, Indonesia adopted a policy of confrontation against formation of Malaysia by prohibiting trade of goods involving Indonesia within the region. This affected Singapore greatly since Indonesia had been the Islands second largest trading partner, (U.S Department of State).

Singapore separated from Malaysia on August 9th 1965 and has been independent republic, since the Political disputes with Indonesia soon ended and trade resumed from 1966 onwards.

Singapore's fast economic growth from the 1960s triggered its formation into a modern city state today. It has now a population of more than four million people (including foreign workers and permanent residents) living in an area of approximately 685sqkm. It's GDP in 2003 was about US\$91billion, measured in 1995 prices. Trade still constitutes the bulk of the economy with exports amounting to more than US\$120billion and imports are estimated at about US\$117billion. The main trade markets for Singapore are Malaysia, the US and the EU. Although the manufacturing sector, particularly in electronics, still constitutes the bulk of earning, the GDP share of the business and financial services has increased notably from 20% in 1983 to about 27% in 1995. Singapore has derived its economy with two pillars based on manufacturing and service sectors (U.S Department of State).

5 Singapore's Metropolitan Economic Strategy

Singapore's metropolitan economic strategy could be traced to the visions and economic strategy of the Lee Kuan Yew. Lee led Singapore after its separation from Malaysia to emerge as one of the world's most powerful financial centers.

Singapore's key strategies have been to adopt a pro-business, pro-foreign investment, export-oriented economic policy framework, combined with state directed investment in strategic government owned corporation, (BOCK, 2002).

Singapore has long relied mostly on its human resources as well as its infrastructure. Contrary to the previous belief that Singapore's growth had resulted from an increase human productivity, it is now commonly agreed that Singapore's early high growth has resulted from an extensive use of its resources, as what Paul Krugman termed "a mobilization of resources that would have done staling proud".

What Singapore did was really basic in developing its own people which is the most important factor in its economic development. Moreover, the established infrastructure left by the British was also a major plus factors in Singapore's development path (Wong, 1999).

Singapore's economic strategies can be summarized into three basic categories, (i) the government's strategic role (ii) Mobilization of its human capital, and (iii) continues development of infrastructure.

These three factors have contributed to the high level of economic achievements that Singapore has enjoyed for the past four decades. Yet, a variation of these three factors was specifically used in different periods from the 1960s onwards. In the early period, Singapore used its sufficient physical infrastructure as well as the semi-skilled workforce to attract foreign investors to the island. From 1980s, due to the increasing pressure on the labor market, Singapore could not maintain the low wages of its workforce. As a result, Singapore witted its strategies in to establishing a modern 'info structure' as well as a dynamic high-skilled workforce to enable Singapore to become the financial and business hub of the region. (Bock, 2003).

In both periods, the role of government institutions has been crucial. The government has adopted different policies to suit the different policies to suit the different needs of the Singaporean economy, which has attract continuous foreign investment and thus, maintaining Singapore's economic excellence.

6. Theoretical Framework

The issue of development or under development in Africa, this paper will adopt "Dependency Theory" to explain the level of under development status in African States. This theory has been in existence for over 50 years within the paradigms of development. The prominent scholars of this school of thought, include: Frank, Theotonio Dos Santos, Samir Amin, Rodney and many others with basis premises of firstly, poor nations provide natural resources, cheap labor but still living in poverty and unemployment, secondly, wealthy nations actively perpetuate a state of dependence by various means and thirdly, wealthy nations uses economic sanctions and use of military force to threatening African countries from rapid growth of our economy.

7. Lesson to Learn for Africa

The people of republic of China was founded on the communist ideology but has successfully practiced state capitalism which encourages export and discourages import as well as a copy of technologies and export them to their environment with high level of innovation of managing the economy in the ever changing world.

After the liberalization reforms and Neo-Confucian Cultural Revolution in the late 1970s, China began to make progress, through massive external (manufacturing) investment was attracted based on education and cheap labour while equally massive internal investment has been mobilized in modern infrastructure and urban facilities. African countries can learn from china in the area of reforming our trade policies, foreign investment, restructuring or industrial sector and huge investment on human capital development to suit our African contemporary economic structure that will benefit African countries because we under standard what hinder us is the poor policies and lack of political will from our leaders.

Secondly, in Singapore, Lee Kuan Yew developed a highly technocratic government which led to the competitive and result oriented economic policies.

Singapore economic achievement since 1960s have its roots in the hard work of the government and the people of Singapore. They have realized that Singapore depends primarily on its human resources and secondarily on the resources of foreign investors. There is a greater hope for African Countries; if the leadership in the countries demonstrates commitment and work together. Globalization comes with its opportunities which are enormous as illustrated in China, Singapore, India and Brazil and the rejuvenating of ailing economy or Russia, the task therefore the reform will be on the shoulders of African Leaders to adopt the right policies and checks the dangers or corruption, it is time for African countries to rise up to our problem of under development, through cultural reorientation, good governance, economic diversification and restructuring, zero tolerance for corruption as well as inter-regional co-operation in the economic sphere. These and other measures when implemented can generate positive indices of economic growth and development.

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