British Journal of Interdisciplinary Research **April 2025, Volume 2, Number 5, pp. 97-114**
ISSN 3049-8899

COLONIAL LEGACIES AND THEIR IMPACT ON AFRICA'S ECONOMIC SYSTEM

Abdulkarim ABDULLAHI,

Dep't of Political Science and International Relations, Nile University of Nigeria, Abuja
abdul.abdulkarim@nileuniversity.edu.ng

&

Saleel CHEMBAYIL,

Dep't of Political Science and International Relations, Nile University of Nigeria, Abuja
saleel.chembayil@nileuniversity.edu.ng

Abstract

There has been a tremendous amount of information flooding from academia on the devastating impact of colonialism in Africa. Colonialism has had devastating impacts on African people and their communities. Infrastructure was developed to benefit the needs of the colonial powers, and not the societies that were being dominated. Health, education, and social services were given careful attention by the colonialists only if they benefited their own goals. In addition, inappropriate setups were founded in the market industry, based on the perceptions of the African communal tradition. European trading and trade were protected, equating the concept of the "free" market with colonial discrepancies. The definition of the changes is indeed substantial. Therefore, rather than supporting a free market, colonialism obstructed the free and competitive trade policies in both the interior and exterior of our land. Notwithstanding the extensive amount of knowledge being generated, the body of this literature remains uncoordinated. Studies are fragmented, mitigating the need to integrate them for a multidisciplinary and multidimensional understanding of colonial retrospectives and the community issues they have been entrapped in. There is, therefore, an unmet need for the compilation and consolidation of studies of colonialism from multidisciplinary and international sources. This paper examines the impact of colonial legacies on African economic system. Examining the impact of the colonial legacies, the paper adopts descriptive analysis method to qualitative approach. Finally, the paper concludes that neither neo-colonialist economic policies nor 'African development' have always been uniformly successful in bringing about local economic empowerment or increasing human and social welfare in material and non-material terms.

Keywords: *Colonialism, Debt, Foreign Aid, Investments, Economic Policies, Dependency.*

DOI: 10.31039/bjir.v2i5.35

1. INTRODUCTION

It is well known that Africa's economic situation today is related to past events and policies that current and past governments adopted. Colonial legacies have had a profound effect on the African economic system, creating substantial barriers to economic growth and directing many economies into pathways of limited potential. This essay will provide a comprehensive overview of why current African economies look the way they do and what the entry points for effectively engaging with the continent's development are or might be, both in the present and looking forward. First, questions of continued economic underdevelopment and ingrained structural issues require a deep understanding of the situatedness of African economic growth in history. Our starting point is therefore a historical account of some of the legacies of colonial economic relationships in contemporary African economies.

The colonial administrators set up the first real infrastructures that Africa consisted of. These infrastructures were meant to transfer the areas' wealth, including taxes and human labor, from the port to Europe. Therefore, many of today's African economic structures are echo chambers of what has settled in the past. This inevitably makes part of today's African economics the offshoot of colonialism. It is therefore essential to understand the nature of the economic relationships at stake, rather than simply to notice the paternalism of charitable associations. It also legitimizes the reaction of believing that nothing can change and that if one has inequalities in one's countries, it is because we are like that.

The effects of colonialism on subjugated nations have been a topic of discussion for almost as long as colonialism has existed. During the 19th century, colonial powers used the notion of a civilizing mission to rationalize their dominance over other nations and populations in reaction to increasing criticism over the conditions of colonized people. This perspective posits that colonial administration aimed to benefit all subjects of the empire, rather than only the colonial powers (Austin, 2010).

Furthermore, Robinson (2019) stated that colonization of Africa had far-reaching repercussions beyond economic ones, damaging the continent's economy for a variety of reasons. First, with their partition of the continent, Europeans defined the number, size, and shape of African states, which has current repercussions for the legitimacy, authority, and sustainability of governments. Second, with the deployment of indirect rule, language and labor regulations, and the establishment of internal administrative borders, colonial authority molded the features of ethnic boundaries and their political importance. Third, by isolating the state from civil society during the colonial period and establishing a deep distrust of the state as a good actor, colonial rule substantially altered the nature of postwar state-society relations. Fourth, a number of colonial traditions were perpetuated after independence, notably as the merger of customary law and official institutions, which had harmful implications. Fifth, considerable imbalance was established by different colonial investments across people and geographical locations, which today has political repercussions in the twenty-first century. Empirical comparisons between different colonial regimes, especially between territories administered by many colonial powers, have played a crucial role in discovering these long-term repercussions. Future study should go beyond this blunt approach, instead seeking more disaggregated and nuanced measurements of both colonial rule and its political legacies, as well as additional scholarship on the long-term interplay between colonial and indigenous political institutions (Robinson, 2019).

This paper focuses on bringing a new approach to the understanding of the impact of colonial legacies on the African economy by examining what the African leaders employed with the name of economic strategies to develop the economy and build economic growth. In achieving the objective of examining the colonial legacies of the African economic system, the chapter adopts a qualitative approach, using a textual analysis method to measure the colonial legacies and the African economic system.

2. OVERVIEW OF THE AFRICAN COLONIALISM

For over four hundred years, until the early twentieth century, Africa, with the exception of a few parts, was colonized by European powers. Although the Berlin Conference is often cited as the epitome of the "Scramble for Africa," the development of colonialism in Africa began centuries earlier in the 15th century with Portuguese expansion into Africa and across the Atlantic Ocean. The reasons behind European colonization were varied and can mainly be divided into three categories: economic, in which capital invested in African colonies would yield profits and generate investor confidence; political, where the acquisition of territorial colonies was seen as an indicator of the power of countries' monarchies and democracies; and social, in which the colonization of the "backward" societies of Africa was perceived at that time as both humane and religious ends – the ethical cleansing of barbarism. A significant aspect of the rise of colonial ambitions in Europe was the increase in the demand for labor, leading to an expanding demand for resources within Europe. As the "industrial revolution" reached its zenith in the late 19th century, the increased capital investments and technological advances allowed the increased demands for natural resources and labor to be possible (Gilley, 2023).

African colonies were largely controlled by three European powers: Britain, France, and Belgium. In British West Africa, the administration functioned through the use of West Africans who worked closely with natives but were subject to a hierarchy that ultimately ended with a British Governor-General. In contrast, on the coast of Upper Guinea, where Togoland was ceded in 1919, there was a more direct form of colonial rule, with "no intermediary institutions except for the provision of native courts." In French West Africa, the administrative structure was closest to the French "assimilation" model. When colonization initiated in the 19th century, the infrastructure required for industrialization was not present; whereas "primitive accumulation" for investments in the 20th century and surplus value was needed. With both World Wars underlining the political, economic, and social impacts of conquered colonial territories, the "backwardness" of non-industrialized countries was held in contrast to the war-making capabilities of Germany and as a result of these factors, in 1941, the US sponsored the Republic of Liberia to become a national member of the UN (Michalopoulos & Papaioannou, 2020).

Economic Structures Established During Colonial Rule

There were several economic structures by means of which the colonial powers in Africa tried to use local resources for the benefit of the colonizers, who sought to structure the continent's economy in a way that would facilitate the draw of something of benefit to them. Some were involved in extensive and profitable extraction, while not reorganizing the rest of the economy in any particular way. Others worked to provide the services and skilled labor that were needed to service the extractive project or to provide the settler conglomerations with their day-to-day needs. However, they too were focused on sending any surplus or money away to the metropolis. Ultimately, resources and people were used for imperial priorities (Robinson, 2023).

There are other ways in which the continent's historic trajectory was set by colonial rule that influence this day. At independence, and also to a significant extent today, only a tiny proportion, often under 10%, of Africans had received any formal training. Most have been ethnically regimented using the strategies and structures established under colonial rule. Many of the economic legacies of the colonial era continue to shape African economies today. While 70% or more of those working on the continent are engaged in agriculture, mainly on a smallscale family farm basis, between 70% and 90% of the revenues of countries come predominantly from the export of raw materials, even though the profits in so doing mainly accrue abroad. The traffic in military resources still distorts African economic life, as seen from the regional prevalence of what has been aptly referred to as the lootable state. Such clearly visible structures have colonial-era origins (Mkandawire, 2020).

Extractive Economies

During the colonial era, to the detriment of the local population, many African countries were organized as extractive economies. This meant that the main function of these countries was to provide valuable natural resources that could be sold to other countries, with the purpose of maximizing the wealth of the colonizing countries. As a result, these production systems left minimal and even much less benefit in the country of production, leading to the impoverishment of indigenous peoples and the environment on which they depended for their lives and welfare. At all times, Africans were deprived globally of their means of policy concerning their use. The agricultural systems had a single cash crop grown to provide revenue for the colonial authority and the mother countries. Peasants were compelled to grow this crop, including cotton, palm oil, cocoa, rubber, and recently coconut. Timber for shipbuilding and its components were used to exploit the timber of the country, but only as the best hardwoods in the region were discovered (Greco, 2020).

Overall, these economies show few subtleties, have clear motivations of state-building, and are oriented to maximizing foreign exchange income via trade balance surpluses. The socio-ecological degradation left over from decades of extraction fundamentally transformed the African physical and institutional systems. Indeed, they have resulted in low demographic densities and restructured population flows, damages to human capital, changes in land access modalities and customs, substantial changes in the way people work, and the creation of an economic system based on the primary sector and traditional raw materials. The integrated exercise of small independent primary sectors strongly differentiated, as they had been left practically taken care of, was characterized by some of these values and contrasting objectives and planning (Friedmann, 2021).

For example, the colonial power and the foreign companies were never concerned with developing a strategy to increase the production of food resources — indeed, rather they stressed that the supply of certain types of raw materials, which were vital to the colonization itself, be guaranteed. Employment was scarce, and poverty and underdevelopment have been widespread throughout this continent. In many ways, these colonial production systems were designed and implemented to feed the metropolitan countries and the economies of the colonial powers, acting as parasites on the African economies and imposing their priorities, ideologies, and cultures. Most of the development strategies have been struggling with the deep confusion and the great difficulties of consolidating these institutions. Consequently, many African leaders have preferred to leave untouched this legacy of more than a century of colonialism, turning to more recent new generation policies to try to change the direction of the economy of the country, thus abandoning even the making of a true development policy (Friedmann, 2021).

3. IMPACT OF COLONIALISM ON AFRICAN ECONOMIC SYSTEMS

Colonialism had far-reaching effects on the economic systems of the colonized countries of Africa. Politically, the consequences of colonization may have been significant, but few are as enduring and sizable as the economic consequences. The colonial states encroached upon every part of society such that by the time of their political decline, most aspects of the indigenous ways of living had been disrupted and changed. The alterations were such that the colonial state had disrupted the lives of societies from the grassroots up. The indigenous African population was irreparably transformed, as their access to traditional means of survival was compromised, while the resources they had been introduced to were inaccessible (Battani, 2020).

Colonial administrators changed national economies from subsistence to single-product export, and from the age-old multi-access countryside to the modern 'prohibited,' 'restricted,' and 'native' reserves. In addition to changing the physical and economic practices for African people, the colonial states, in changing the productive potential, changed the consciousness and awareness of the indigenous people. They did this by changing economic practices, changing productive potentials and opportunities via disruptions in traditional land uses and property rights, and even changing the physical composition of the people through alterations in the collective psyche and social identity. The modern economies of Africa were shaped by colonialism. Special emphasis should be placed on the change brought to local African economies by external inter-state economic policies. Colonialists encouraged the cultivation and trade of crops predominantly without concern for the effect on local subsistence economies and food security. Since the 1950s, trade policy has negatively affected Africans' potential for agricultural export and diversification. Effects of colonial and post-colonial laws and policies are also evident in their attempt to consolidate the shift from customary to private property systems. Increases in destructive uses of environmental resources have resulted from the move to private land ownership. Colonial governments changed the way African labor was valued, used, and regulated. The economy of many African countries depends almost solely on a single primary export industry. The prevalence of smuggling on the Kenyan and North Ugandan border is a result of policies from the colonial era that prohibited the free movement of labor, which resulted in diverted trade. Colonial governments interfered in local indigenous resource use and property systems, creating an atmosphere of insecurity and panic resulting in selfish, destructive uses of environmental resources. Colonialism has resulted in poverty, dependency, and weak governance in many African countries as a loss of faith in their own economic abilities (Nwoke, 2020).

Resource Exploitation

The most straightforward form of economic exploitation during colonial times was utilizing Africa's natural wealth. Africa was and is still rich in a variety of resources, and most of those resources contributed, through a colonial economy, to colonization itself, aided the industrialization of the imperial powers, and benefited colonial settlers. Minerals, copper, tin, gold, silver, diamonds, etc., were mainly important for their input in industrial production. The same goes for oil nowadays, especially in North Africa and South-Central Africa. To a lesser extent, other resources were also harvested and processed: rubber for tires and gaskets and palm oil needed and used in the food industry and the soap industry. In Africa and Madagascar, the extracted quantities were three to four times larger than those in South and Southeast Asia combined. Additionally, the African products were raw materials, meaning the Africans (usually on behalf of or under coercion of colonial administrations or settlers) were involved in the primary stage of production, and the final product was to be processed in Europe. (Mumuni & Mwimba, 2023)

The different resources, each carrying unique characteristics (in mining, the working hours and the intense use of micromanagement, and in the agricultural sector, the extensive use of areas and swapping fields to give nature a breather), also started a pathway of undesired social change for the African population, where some Europeans and a selected 'civilized' group of Africans began accumulating fixed and financial capitals in the different sectors. This led to the apparent inequalities and foreign involvement. This joint venture partnership between the African 'state' and one or more transnationals resulted in a total loss in accumulated capital that was higher than the amount of accumulated capital in three or four decades, due to the extremely expensive startup costs caused by the total loss of original capital and corresponding loss of technical and academic know-how. Those historical events correlate with the struggles found between the African 'states' and the Western multinationals. It surely gives the African people a 'rock bottom' social position, where most, if not all, colonial resources give the rest and the by-periphery pre-colonial economies starting point nearly zero possibilities to create a 'vibrant' and exciting economy, as we currently see in the East and Southeast hemisphere. It's extremely important that the inside-European countries have a vast roster of legislative precautions to avoid those, in global economics, extremely attractive activities even before they start to cause problems! (Michalopoulos & Papaioannou, 2020).

4. CONTINUED EFFECTS OF COLONIALISM ON AFRICAN ECONOMIES

The repercussions of European colonialism in Africa have been described as severe and deep-seated. During the period of colonialism, African economies showed signs of diverging from each other; a divergence that has continued into the post-colonial era. Not only the policies put in place at the time, but also the basic economic structures and institutions can still be traced back to colonial times. Most countries in Africa are faced with the challenge of operating with infrastructure that is not only of poor quality but also often poorly suited to maintain economic activities across large spaces. In many cases, economies continue to be characterized by their sole or strong reliance on only a few primary commodities for export on international markets. The high dependence on raw material prices typically leads to highly fluctuating incomes and consumption. Many of these structural interdependencies and development paths have roots dating back to colonial times (Roessler et al.2022).

Colonial practices, such as the expropriation of African lands at stagnant low prices, related discriminatory tax and protectionist policies, and the displacement of people from their customary production spheres on the one hand and employing contract and forced labor on the other, have led to distinct socio-economic disparities. These disparities are further aggravated by conjugal practices of polygamous colonizing economies which maintained differential citizenship upon nationalization. In the Southern African region, for example, colonially created tribal authorities in South Africa, Zimbabwe, Lesotho, and Swaziland are directly responsible for continuous discriminatory socio-economic practices after the attainment of flag independence. The Sierra Leone and Namibian cases are also evidence of protracted state failure and prolonged internal divisiveness created by against-their-will ethnic amalgamation by the colonizers. Poverty and inequality continue. Political instability and violent conflicts present additional challenges to people and livelihoods in the region. Political segregation can be viewed as another resultant colonial legacy, as it has shaped internal and/or international political practices and positions ever since (Koot, 2023).

Debt Burden

The debt burden has recently been introduced as another dimension of the continuing structural challenge for African economies rooted in the colonial legacy. The foreign debt problem began essentially in the colonial phase. The absence of a home market after the defeat of African national resistance led to unsustainability in the economic base in the occupied area. It was thus feared that if the compulsory extraction disappeared, not only would the extra profits become impossible, but that the continuation of the cost-efficient developments that had occurred in occupied areas would also no longer be possible (Tunçer2021). To continue this process and thus secure the investment in the expansion of the colonial economy, a high external debt was incurred, the cost of which led to the need for a continuation of the extraction process. The management of this debt became a crucial aspect of the control of African economic policy space in the colonial phase, leading the very independence of the former colonies to become entwined with the financial viability for the former colonial masters. This odious debt has thus become the symbol of economic sovereignty and subsequent policy autonomy (Gwaindepi & Fourie, 2020).

African independent states, like other nations in similar situations, resorted to concessional assistance whose conditions have often been set as clearly political and/or ideological, rather than technical or even economic, in leading the recipient to another selected free market economy. Instead of functioning as a supplemental resource that can be carefully administered, aid has had a negative impact. In relation to the nature of African economies, the conditionality measures attached have starved economic and social infrastructure development and services that earlier drew on national savings for inter- and intra-generational equity. It should be stated that states face a trade-off situation when addressing public or social investments – reducing debt service payments in favor of health or education, etc. Aid has become part of the debt stock problem for different reasons. First, the practice of secondary recipients borrowing on behalf of developing countries exposed weak systems to improper utilization of funds. Second, and more importantly, multi- and bilateral aid was itself involved in such operations, and for some time, the loans were doubled or even tripled conditioned on the adjustment process, which has contributed to the debt crisis. Thus, there is a certain cyclical characteristic in third-world debt management practices where the repayment of one debt generally becomes a condition for another. Real debt relief and an alternative strategy to the current financial system, which has thus far merely rested upon the need to service the external debt, have become urgent in order to open perspectives for sustainable growth and development. We will further discuss the reasons behind the unsustainability of the external debt in the following subsections (Blair et al., 2022).

5. POST-COLONIAL ECONOMIC POLICIES

The post-colonial period in African history has seen the impact and the workings of arrangements made under colonialism becoming evident on more than one front. Political arrangements forced into existence by colonialism: traditional political structures have disintegrated. The military and one-party government take up responsibilities of administration. The administrative setup left by colonialism has an unfavorable effect on the level of internal governance and administration. Similarly, the economic structure, infrastructure, and facilities left behind by the colonial economic arrangements take up a depreciative pattern of analysis. In the era of non-formal economic activities, the African economy remains predominantly the producers of real values. It begins to be incorporated into the remainder of the world economy as suppliers of underpriced raw materials and primary agricultural products. A major African problem is that of economic development. The threat of economic development in the post-independence period is as much a problem of what to do as of what not to do. On the basis of such commonalities and differences, each African country was to develop its own version of socialism (Abotebuno, 2023).

To make Africa independent, economically and politically, is the major slogan of the political leaders. Though political independence was achieved in the post-independence period, economic independence has not been a reality. The emergent African economic system shaped by the workings of the colonial economic arrangements was characterized by free wage labor in agriculture, trade, mining, and manufacturing. It continues to work under conditions hampered by monopolistic and private foreign ownership, which is protected against internal competition by the state. Political problems forced them into economic diversification. These, therefore, are strategies of the post-independence era. Nonetheless, even the inward-looking effort to build large domestic enterprises was hamstrung by the fragility of the domestic economy and was more successful in some countries than in others. Reorientation of the post-colonial economy: This is perhaps one of the major tasks with which the newly independent

African leaderships were faced. The economies they inherited were largely specialized in the supply of agricultural and mineral goods to international markets. They produced relatively little for domestic consumption and depended heavily on imports for their own consumption (Rauw et al.2023).

5.1 Development Aid and Assistance

One of the most important legacies of colonial rule in Africa revolves around the tightly woven relationship between African states and domestic elites on one side, and Western states and their multilateral institutions on the other. Indeed, in many African countries, external capital takes up a large share of the country’s public investment and recurrent expenditure. Almost every African country receives some form of development assistance in view of mitigating both the human capital formation challenges, such as combating diseases and improving the health system, and the built capital formation challenges, such as drinking water and sanitation access, transport and communication infrastructure, energy, etc. No wonder, therefore, that development aid and assistance have always been part of the policy framework of post-independence African countries. Also, bilateral, multilateral, and humanitarian agencies provide immediate post-conflict and disaster relief and rehabilitation assistance (Turshen, 2021).

Given that socio-economic challenges should have been expected after independence, and given that some of the colonies became independent after the emancipation of some of the poorest African populations following the Second World War, many have criticized and continue to criticize the development aid channels. Criticisms range from justifications on economic, political, and directional grounds. Developed during the period of the Cold War, some critics have viewed development aid assistance as no more than a deliberate ploy aimed at reducing the African elite away from the USSR camp and establishing the necessary preconditions for the establishment of their own satellite African states. Post-conflict development aid flow may also have many of these undesirable effects associated with the use of economic aid as a weapon of the Cold War. Other critiques argue in line with the common allegations that most economic aid structures elsewhere reinforce class hierarchies and attitudes, breed dependency and a cringing nation, and increase the potential for donor control over the economy and state by magnifying the vulnerability of the state and increasing financial and policy conformity by aligned administrations to the donor preferences. However, whilst there may be agreement that power passes through elites and that they are endowed with varying assets and decision space, it does not accord with those who argue that the presidential economy is the personal property of the president (Sullivan & Hickel, 2023).

In view of the above trends, some would question why Africa continues to receive development aid despite the persistent inability of the donors to prove its efficacy in improving the lives of the people in Africa. Like most top-down administrations, development aid may itself be ineffective since many donors are satisfied with flawed project processes, thus making it difficult to achieve the expected results. Nevertheless, development aid has also been effective in contributing to policies that favor the overall goal of promoting growth, reducing poverty, and bringing in inclusive change. These positive outcomes are apparent in instances where donors are able to protect their interests through their direct involvement in the economic and political transition in a country or the region, by supporting their own country and international organizations in the form of fiscal provisions and other resources to establish peace and rebuild the economy of a war-torn region.

5.2 Globalization and Neocolonialism

Globalization is propelling the world toward an era of greater trade, investment, and economic integration. This trend first became discernible during the late 1980s and is now the dominant force shaping the world. At the same time, globalization has given rise to new forms of neocolonialism in which African countries are exploited by multinational corporations, both foreign and domestic, in collaboration with the ruling elite. The fad of 'globalization' in part was made possible by the deregulation of transportation, communication, and financial services and the rise of a truly 21st-century phenomenon: the internet. These developments imply new opportunities for intellectual and technology transfer, the result often being massive profits to be reaped by the few. But now things are sliding backwards (Poku-Boansi, 2020).

Transnational corporations will take the easy way out, snuggling in among the bourgeois elite to get a foothold into the African economies. But the vast majority of Africans just cannot afford to pay the price that comes along with doing business. Thus, independent and sovereign development is being stymied. Structural Adjustment Programs, privatization schemes, currency devaluations, and other forms of economic exploitation are being pushed down the throats of Africans. The argument by globalizers is that Africa has more to benefit under globalization than under neocolonialism (Dianda and Pandin2021).

Fictitious as it seems, it is based on a number of partial truths or whole lies. Arrays of opportunities exist for Africa under globalization – including private capital inflows, access to global markets, technology transfer – based on the neoliberal argument. Nonetheless, these opportunities have been turned into threats or serious hitches. In global trade, most of these countries are net importers, exporting only a few primary goods, only a few of which are being processed. Corporate control of genetically modified products is merely one classic example of the way Africa's agricultural economies are being drawn into the labyrinths of market dependency. Africa also lags roughly 100 years behind in the electronic revolution and the emergence of the information superhighway. The results include the exacerbation of the digital divide and the possibility of Africa's brains being recolonized. The outcome is poised to keep those with valuable African brains in perpetual indentured servitude, limiting sovereignty and reversing territorial independence (Boateng, 2021).

5.3 Case Studies of African Counties (Nigeria as a Study)

Case studies have shown that African countries have been able to adapt to their colonially determined world of sovereignty and a range of conflicting special interests by making a series of pragmatic policy and institutional choices. Therefore, not all African countries evolved into resource-rich enclaves. Even when resources had earlier become all-important to the countries for one or several periods of their history, their economies were characterized by a preponderance of autonomous, vibrant, and competitive urban-based sectors that controlled most of the resources in the countries. As of 2016, Rwanda, Ethiopia, and Uganda continued to exhibit the highest growth rates in a group of 40 African countries, including Guinea and Liberia, from 1960 onwards, whereas South Sudan and Lesotho exhibited the lowest rates. Although Guinea and Liberia seem to have substantially increased their per capita income by the year 2018, too (Ngcayisa, 2021).

Many African countries are plagued by long-standing civil conflict, most of which are associated with the resistance to economic transformation in the region and external support by agents that resisted change. Indeed, both new and old resource-rich African countries are slow to embark on the economic transformations of their economies and their resource-rich enclaves, let alone in restructuring their own societies. Furthermore, almost all of them continued to rely on experts with their own policy and institutional failures to manage resource revenues on their behalf, which further suggests the urgent need for local governance in formulating sustainable economic transformations in such countries. Some of the African countries turned their lot around and did substantially increase their share of the monies that were being distributed under the market rules, so that ten or so new resource-rich African countries had, as of 2019, lower poverty rates and, on average, much higher per capita inclusive growth rates from 1996. Per capita inclusive growth is a measure of income that integrates international income distribution derived from a constant regional inequality line into the measurement of per capita national income so that the income of those below the inequality line falls in value at the international exchange rate (Phungula, 2020).

Nigeria

Nigeria offers a striking case study for an in-depth view of the socio-economic legacy engendered by colonial history in Africa. During the colonial period in Nigeria, the British regime deliberately established two separate economic systems in the North and in the rest of the country. In the majority of recent studies, it has been taken for granted that there is a corresponding long-term pattern regarding the welfare of the citizens. Devolution in combination with education in the South created a strong 'enclave' effect in the South, which positively affects non-agricultural economic sectors. Now – more than forty years after Nigeria's independence following severe democratic struggles by the Nigerian people – it is possible to state whether this view is generally correct or not (Audu & Oshewolo, 2021).

Primary products are vital for their importance as a major disperser of nutrients on the African continent. Nigeria is the fifth largest oil supplier worldwide and has 4% of the world's oil reserves. Nigerians producing primary products constitute a very large part of the labor force. As in most other post-colonial African states, after dismantling the colonial state, it was apparent that the new regime inherited did not have the capability to generate economic growth or exercise state monopoly control in the industrial and commercial sectors. Several of the major economic structures put in place by colonial administrative officers and their indigenous allies have declined. Some historians and political economists argue that the colonial backlash in the Nigerian pro-capitalist legislation of the 1950s is one of the explanatory factors of this development. The main challenge of corruption and bad governance started to set in as far back as the days of British rule (Turshen, 2021).

6. CONCLUSION

In conclusion, the aforementioned chapter discussed the ways in which the European colonizer's presence in Africa had vast economic, psychological, and social implications for the inhabitants. Resisting rigid economic determinism, I have argued that not all of the trouble on the African continent at the present time can be traced back to the distant and recent pasts of colonization and post-independence, even as it is possible to extract evidence of the profoundly structurally unfair nature of these economies that still disadvantage people today. This Chapter has sought to examine some of the mechanisms of the colonial political economy and discuss how they have implications for those interested in social movements, policy, and various international actors with an interest in shaping African economic futures. Neither neo-colonialist economic policies nor 'African development' have always been uniformly successful in bringing about local economic empowerment or increasing human and social welfare in material and non-material terms. Economic interventions have all too often benefited those who already have. However, if we infuse future economic strategies with an understanding and appreciation of the trauma and the tragedy of violation caused by foreign domination and the domestic political economy, and understand the constraints imposed by economic interests through research and participatory mechanisms, the likelihood of economic empowerment programs actually having a more successful and desired outcome rises. While not immediately feasible in the here and now, to the degree that we stress policies of self-reform and building from a sustainable context forged by local history and the political economy of poverty rather than the contemporary situation faced by aid agencies would be more productive. The current emphasis on the need for the international community to engage in capacity-building from the bases up and argue for the strength and resiliency of everyday, bottom-up 'informal' economic practices in a sort of optimistic, progressive scenario would be highly encouraged. A new green revolution for the African continent may already be on the rise; it is just waiting to be named and fostered.

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