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# AFRICAN CULTURAL VALUES A DISINCENTIVE FOR DEVELOPMENT: AN EXPLANDA

ETIM OKON FRANK

Dept of Political Science/pub. Admin  
University of Uyo Akwa Ibom Nigeria  
Email: okonfetim@uniuyo.edu.ng

## Abstract

The study evaluated the paradox of the richly endowed continent, inhabited by the poorest people in the world and having the poverty capital in Nigeria. It applied the descriptive research orientation, and the procedure of observation, documentary analysis and interview. The procedure revealed two major causal variables; the 'extended family and the mutual social responsibility systems respectively, obligate a socially mobile individual to adopt and sponsor at least a member of the extended family other than his siblings. The analysis of the qualitative data obtained indicated, that it leads to sharing the income of an African to several expenditure sub-heads (member of the extended family, his siblings, his wife and kids), leaving him with very little to save in the banks. It is instructive to note that, when an African individual attempt to free himself from this cultural burden, he is attack with voodoo, which in extreme cases, lead to his dead. The outcomes of the above are; he is not able to save enough in the banks, the banks in turn are unable to mobilize enough fiscal resources to support development in the states by way of granting long- term-development assistance to businesses, where the facilities are available, it is never ata lower interest rate. The continent then depends on external aids for its development, with the resultant capital flight. This is a disincentive to development. This cultural value is one of the causes of African poverty, which form impediments to the economic freedom of the individual, culminating in the continental paradox of a rich continent, consisting of the poorest nations, because the society is individual writ-large.

**Keywords:** Extended-Family, Halo-Parasite, Mutual-Social-Responsibility, New Industrial State, Savings and Development.

**JEL Classification:** Z1.

## 1. INTRODUCTION

The African continent is known to be the proverbial slow tortoise in the global race for development. The slowness of Africa in the race, many have attributed to the years of slave -trade, colonialism and the currentstage of imperialism, plausible as this may seem, as Walter Rodney(1972) had exposed, many have wished this paradigm away after several years of independence. This had also been explicated by the Dependentalistas (or Dependency School of social

Sciences). A further interrogation of the African condition of poverty and its resource endowment as a contradiction, averred that given the natural resource availability, the continent should have no relationship with extensive poverty in almost all the states in the continent.

According to the US Geological Survey (2012), Mazrui (1980) and further investigation by the author revealed at a glance the estimate of Africa's natural resource endowment. It showed that about 96 per cent of the world's diamond outside the former Communist world are found in Africa, 60 per cent of its gold endowment, , 42 per cent of its Cobalt (55% in Congo DR, Zambia and CAR accounting for 45%), 34 per cent of global bauxite and Aluminum (in Guinea), 28 per cent of universal uranium (located in Niger, Namibia and Republic South Africa). Iron reserve (South Africa, Mauritania, Algeria, Zimbabwe and Morocco) are estimated to have more than United States reserves, while the Chromedeposit in (South Africa, Zimbabwe) are the greatest endowment of natural metals ever found in commercial quantity outside the former communist world (Mazrui,1980, Frank, 2010, US Geological Survey 2012). The 2012 Geological survey, further showed that Africa retained the top position in the possession of top strategic minerals as key producers, as shown in table 1 below.

*Table 1. 2012 Strategic Minerals and Key Producers in the World*

Minerals	Global Position %	Remark
Diamond	73	Strategic
Gold	89	Same
Uranium	16	
Bauxite	9	
Steel	2	
Aluminum	5	
Copper	5	
Platinum	92	Same
Coal	5	

Source: Yager (2012) The Mineral Industry in Africa

The content of Table 1 above indicated that Africa is top in the possession of three strategic minerals required to make any nation or continent if well managed a world power. The question then is, if Africa possesses all these natural resources, why has it remained a minion in the race for development, yet low in global development indices? This question is apt when cognizance is further taken of the fact that Africa contains many crude oil producing countries. They include; Nigeria, Angola, Algeria, Libya and Egypt. The others are; Tanzania, Mozambique, Kenya, Ethiopia, Uganda, Ghana, Zambia, Togo, Liberia and the Camerons (Frank, 2014:106). Crude oil is an item of considerable demand, why has its possessors coupled with the presence of natural minerals not lifted the continent out of development morass?

## **The Contradictions of a Rich Continent**

The reality on the ground, however, indicated that in spite of these wealth and, being a custodian of strategic minerals, being crude oil producers, the empirical fact checks illustrated the contradictions of a rich continent thus;

- i) Life-threatening lack precipitate hunger in all states, hence more than a quarter of hungry people in the world exists in the African continent.
- ii) One fifth of underfed people in the world live in Africa are malnourished.
- iii) More than 30 per cent of African children are underweight leading to growth disorders, this inhibition of growth causes physical and mental underdevelopment
- iv) Sub-Saharan Africa has the highest rate of infant mortality. Under-five-mortality-rate (U5MR) indicated that one in every eleven children dies before his fifth birthday.
- v) There are four countries worldwide with the highest Infant Mortality rate currently. Three of these, Ethiopia, Nigeria, and Kenya are African states (Kaul, 2018). How could these be the lot of a rich continent?

Ali Mazrui (1980) seemed to have provided three main explaina to the questions raised herein. He averred that though Africa is one of the best endowed regions of the world, it is yet to develop the management skills required to convert natural resources into commonwealth for the people, because Africans do not have the technical know-how' to develop the continent. This according to Mazrui, is the 'pathology of technical backwardness'... also in terms of the possession of the wealth of nations among the various groups in the continent, there are more white millionaires per head of the white population of the continent than there are blacks' millionaires in relations to numbers of black population. This he referred to as the 'pathology of maldistribution'. It is obvious contradictions, to find in a rich continent, the majority of the poorest nations of the world. This is the pathology of fragmented economy. He identified the availability of skills necessary to excavate and obtain the natural resources from the earth. The absence of a leader who would allocate available resources to all on utilitarian basis and smallness of economic units and the absence of intra-African trade as the causal variables for African poverty. It is herein established that consequent upon the above, a rich continent, consists of majority of the poor people. The poverty of the continent then reflects on the individual citizens.

### **1.1 THE PURPOSES OF THE STUDY**

The principal goal of investigation was to establish that certain norms and values of African culture account for the poverty of the individuals in the continent and by implication the continent. This is so because the society is 'individual-writ-large'. The aspect of the African culture which account for this, is the 'extended family system'. This is the practice whereby a member of a family extends his relationship and responsibility beyond the nuclear family of father, mother, and their children, aunts, uncles, and cousins either living in the same household or relating and depending on the others for their development.

The second goal was to illustrate that the values of ‘Mutual social Responsibility’ embedded in the extended family, whereby an educated member or a fairly well-to-do member of the extended family is saddled with the responsibility of caring financially and in other ways for the welfare of other members beyond his direct siblings. This become the beginning of his poverty and by extension the poverty of the continent.

It is instructive to state that where a relatively well to do person in the extended family system attempt to extricate himself from such burden, he is visited with ‘voodoo’ or witchcraft and eventually struck with ailment which often end in the dead of the person. Often, they delight in having everyone live in poverty rather than have one of them liberated from it and abdicate the responsibility of helping others out of poverty even when they do not possess the requisite skills to do so. The subsidiary objective included, getting all those, who have espoused policy options on poverty alleviation to the actual cause of poverty in the continent. This is because the failure of the numerous programmes created and directed by the various states at this, and by countless international organizations towards the eradication or reduction of this scourge from Africa, have remained largely unsuccessful, because the symptoms have been addressed rather than the substance.

The third objective was to point out the location of the problem so that everyone that is eager to address the problem would direct it to its cradle, hence result would be achieved in concrete and tangible terms.

## **1.2 THE PROBLEM STATEMENT**

The problem of the poverty of the African continent is legendary, hence the study was meant to interrogate it and determine the cradle of the problem. A critical grilling of the problem, revealed that it was embedded in an aspect of African culture, particularly, the practice of the extended family system. The extended family system, generated the main issue which is the ‘Mutual Social Responsibility (MSR) scheme, whereby economically upward individual member of a nuclear family within the extended family culture, is expected to care for a number of the other members of the extended family, other than his siblings. Put differently, it implies that any member of the family who has a little leverage in social and financial status (e.g. by education) is obligated to either educate and support other members of the extended family, beyond his siblings until they become financially independent. The logic here is that when a member prospers, its members should share in it and the society too. This system creates double burden for the upwardly mobile individual, his siblings and any other person from the extended family.

The financial burden means he cannot have substantial Savings in the bank, the banks in turn cannot mobilize significant fiscal resources to fund giant development projects. In the final analysis, the young African cannot contribute to the development of the state and the continent, for the banks are denied of funds. The continent would have to depend on foreign aids, grants and loans for investments. Many of the foreign loans are on terms inimical to African progress.

This is the reasons why the continent is rich but populated by the highest number of poor countries and people in the world. This is the logical trend whereby individual poverty, translate to corporate statewide poverty, which explains the continental poverty, because the human society is made up of collectivity of persons, hence 'individual writ-large'. Since African people are poor, their various states are poor and the continent is poor though naturally endowed.

However, the substances of the problem are (i) these values were appropriate in the society of old where it formed the basis of African socialism, but inappropriate in the New Industrial State where the young African would have no mortgages, no Medicare and other social securities, all of these he has to provide for himself, in the New Industrial State where Africa is always the last in all phases of development. (ii) As the relatively upward member of the family begin to spread his finances around, he would no longer be able to Save-in-the-banks, the banks would not be able to mobilize resources to fund businesses. Consequently, Africa would remain dependent on a variety of needs from continental Europe.

The challenges could be summed as;

- a) African cultural values and norms throw up several persons to whom one has sanguinary (blood) ties in the extended family system.
- b) The system has in-built 'Mutual Social Responsibility' which obligate one to share his resources or income with several other persons who may not necessarily be his siblings. It is instructive to note that the wade structure in very low in the continent.
- c) The sharing of income leaves the original owner with very little Savings. The lack of savings affects the ability of the financial institutions to mobilize funds as loans to finance business, researches and large venture capital, making foreign loans, grants and aids imperative. Thus, the wealth of Africa cannot be exploited with its resources because it is not available in the quantity required. Foreign loans further deplete the resources through capital flight repatriation.
- d) In most cases when an African refuse to comply with this norm, he is attack through voodoo, witchcraft and eventually eliminated through ailments. Where he complies, he lives a life within the poverty circle threshold.
- e) Large family tend to engender corruption in the leaders to accumulate primitively for their children, this was why Plato (427-347 BC) canvassed in his political theory that the philosopher king should not have a family. These were the problems treated in this study.

### **1.3 THE ORIENTATION OF THE STUDY**

The method applied in the study was descriptive because it was meant to extract baseline data of the situation as it were, and the causalvariables of poverty in Africa and how it had formed the African condition. We were concerned with determining the natureand effect of poverty on the individual and how that affected

the continent. The aim was to describe how poverty existed and where it is located in the African social structure from where it affects the continent. We sought data to assist decision-making in respect of minimizing the if not eliminate the scourge from its cradle. Descriptive technique has in its fold, case studies, surveys, developmental studies, documentary and observational styles respectively. Observations and documentary analysis were the major procedures employed in this study to obtain data for the analysis of cultural values and norms which culminated in the poverty of the African person and by inference the continent.

The observation module in addition to documentary analysis and interviews, revealed that one of the causal variables of African poverty situation was embedded in an aspect of the African cultural practices known as the 'extended family system'. Even though, descriptive investigation does not create cause and effect association of social events, it described the features of the variables. It nonetheless, provided in-road into the variables which when gathered provided a correlation between the factors of the 'Mutual Social Responsibility', and the practice of the extended family system.

The procedure of the orientation of the study required that we establish a clear statement of the problem and interview each cluster of the sample population with the same information required. We then ascertained the implications of this on their individual progress. The of data required was specified and the processes of its analysis were parametric. It led the study through the cultural norms and values to the economic implications of the practice on the both the individual, state and the continent. It revealed that about 95 per cent of Africans young men working, are victims of this cultural burden. The application of the study orientation, revealed further that about 60 per cent of Africans leaves on goodwill of the host or significant others as parasites. This burden account for the reason about 60 percent of Africans abroad do not want to return to the continent but are content in remitting funds home rather than return.

#### **1.4 FRAMEWORK OF ANALYSIS: HALO-PARASITE**

Halo-Parasite is a plant which feeds on another and draws all of its food from another known as the host plant which sustains it. In other words, a plant which lives off another (parasitic plant) is one which obtains some or all of its food requirements from another which host it. All plants which feeds on another have plenty of root system known as *haustoria*, with which it goes deep into the soil hosting its principal to struggle for and share all the foods that the host plant have been able to pull together for its survival. It is instructive to note in this relationship, one organism, the parasite lives off another plant, the host, harming it and possibly causing death such as the tapeworm. The parasite is adapted structurally to surviving on the goodwill of another. The parasites are classified as predators.

The effects of the Parasite on the Host- It reduces the host fitness by parasitic castration thereby modifying the host behavior. Parasite increases their

behavior or fitness by exploiting the hosts resources necessary for their survival. Sometimes the relationship evolves into mutualism (Heide-Jorgensen, 2008). The appropriateness of the framework for understanding the nexus between aspect of African culture ‘extended family system’, is the ‘Mutual Social Responsibility’ norm. The poverty of African persons and the underdevelopment of the continent was explicated as a unilinear one. This was because; i) just as the relationship between the host organism and the parasitic plant depicted, African culture originated the principle of the extended family system and the Mutual Social Responsibility, which produce an economically viable African -the host. The ‘halo-parasites’ are the members of the extended family which lives on his support in the society. This is how the 60 per cent of Africans lives on the goodwill of the host and deny the ‘host’ faster progression. ii) The prolong period in which the halo-parasite lived off his host, reduces the fitness of the host to be able to save income in the banks. Almost all his earnings get spent on recurrent issues concerning the extended and his siblings. iii) This system distorts the growth in the direction of development because he cannot do what his mates are capable of doing. This is why Africa consists of poor men and as a continent has not allowed its inhabitants to have the benefit of development in all its ramifications.

In extreme case where the host try to abdicate himself of this burden which the society imposed ‘mutual assistant responsibility’, he is attack with witchcraft and other voodooos usually followed by ailments which very often than not, eventually kill the person and the entire family return to the point as if they had no rising star. The family usually like this state and the continent return to status quo ante as if there was nobody arising from the extended family to lead it through the development pathway. This is precisely what the parasitic plant or predator does to the host.

## 1.5 LITERATURE ASSESSMENT

The Borgen Project (2018) averred that there are multiple causes of poverty in Africa. The Sub-Saharan Africa alone, consists of about 220 million people, more than half of these people are enmeshed in poverty. It singled out the following causal variables as being accountable for African poverty; (a) poor governance which include malpractices by the state and its workers and identifying and ignoring for personal rule paradigm. They appoint unqualified persons into key positions in State Owned Enterprises by which the people are denied basic necessities. (b) Corruption- the Sub-Saharan African states are considered as the places where you would find the most dishonest public servants who arrest development meant for the public daily. They introduced an interesting angle to the issue of corruption in Africa where family members are recruited to run government and management public utilities in the family interest (prebendalism) Indeed the family identity become more important than the country identity’. However, Tanzania, Rwanda and Ghana are making concerted effort to address this situation in their country.

Corruption causes the SSA about \$150 million in capital flight each year. (c) Poor education - is yet another cause with the SSA having highest rate of educational exclusion in many out-of-school children. It is herein stated that there is a direct correlation between possession of education and poverty. Education is a tool for liberation from poverty. In Nigeria for instance, there exist about 13 million out-of-school children who do not have education nor do their parents. They would remain in it for a long while with its attendant consequences for the state.

The right of women to education is not considered a priority as it assumes, they would be married away and the investment would be loss in these countries. It is instructive to note that according to UNICEF's study, mothers who have the benefit of education tend to have healthier, better nourished babies who are more likely to attend school, thereby helping to break the vicious cycle of poverty arising from lack of education. (d) Healthcare- consequent upon all of these, African states have poor healthcare facilities. The incident of poverty would not allow Africans to access good health care. The cumulative effect of all of these, the study submitted accounted for poverty of the Africans in all ramification and the continent.

SIDA (2005) cited in Addae-Koranye (2014) posited that the causes of poverty are multi-dimensional which included; lack of data, absence of fact about the market they are trading in, the prices of goods and services they offer for sale in the market, no good information on their health as well as lack of public services. Again, many people do not know their rights.

The Ghanaian Poverty Reduction Strategy (GPRS) (2004) agency, had asserted that poverty may be caused by; lack of capacity of the poor to influence social processes, public policy choices and resource allocations. Low capacities through lack of education, vocational skills, entrepreneurial abilities, poor health and poor quality of life. The disadvantaged position of women in society, exposure of risks through lack of financial, social or physical security. Low levels of consumption through lack of access to capital, social assets, land and markets opportunities. Exposure to shocks due to limited use of technology to stem effects of droughts, floods, army worms, crop pest, crop disease, and environmental degradation. Inadequate environment protection measures. Lack of micro-economic stability that erodes the resources of the poor through inflation and other variables. The inability of the national economy to optimize benefits within the global system. Habits and conventions based upon superstition and myth giving rise to anti-social behavior. Exclusion of the poor group. According to the Swedish Institute of International Development, these were the purveyors of poverty in Africa. Again, they addressed the manifest indicators.

The World Bank and International Monetary Fund-Poverty in Africa is triggered by sleaze and poor governance, outdated mode of agriculture and land holding system, armed conflict and everlasting political conflicts, poor infrastructure, illness and absence of medical facilities. The World Bank (1990) and the UNO (1995), on the other hand avowed that poverty manifest in several ways including; lack of income and productive resources sufficient to ensure

sustainable livelihood, famine, and underfeeding, lack of healthiness, limited or lack of access to education and other basic services; increased sickness and death from illness, penury, inadequate, dangerous and degraded environment, social discrimination and segregation. It is also characterized by lack of partaking in decision-making in civil, social and cultural life (World Bank, 2001).

Yahie (1993), pointed out that the causes could group into; (i) structural causes which are sustained and dependent on a host of exogenous factors e.g. limited resources, lack of skills, locational disadvantage. (ii) Transitional causes due to changes in domestic economic, policies with price changes, unemployment etc., natural calamities such as drought and wars all lead to transitional poverty (cited in Narayan et al. 2000a, 2000b). This literature dealt with the effect of poverty.

Frank (2010), posited that poverty is so pervasive in Africa so that science and technology which has affected all forms of human relations has failed to affect poverty reduction. The literature averred that one aspect of African cultural life which generated wealth in African old regime is now a cause of poverty in modern Africa (extended and large family stead). There is an endemic vicious circle of poverty arising from African culture which reinforces poverty in the African homestead.

African culture of extended family and mutual social responsibility which was the basis of inclusiveness in African Socialism is the very basis of poverty in the New Industrial State. The main thrust of the discourse was that the African culture of large and extended family, was appropriate in pre-industrial African society. However, this norm and values is unsuitable in the New Industrial State. This is because the skills required in the pre-industrial African societies, are unsuitable in the New Industrial State. While Western education and values were inappropriate in the traditional African society- it is a pre-condition for survival in the modern society. Consequently, the transition from the traditional African society with its traditional African values and norms to the New Industrial state, produce consequence which is both the poverty of the individual, community, the state and the continent in the New Industrial Society setting. This is simply because the values and norms of former is unsuited for the later new society.

The literature reviewed identified the failure of the governance system in African states to address issues such as; corruption, education and healthcare which leave a lot of people out of the policy net as accounting for corruption in Africa. By inference corruption translate to the poverty of the continent. The Stockholm institute stressed the lack of knowledge of the market while others emphasized lack of leadership on the side of the poor and resource allocation which discount the poor. They also addressed the manifest effects of poverty. These submissions missed the fundamental cause of African poverty.

The World Bank (1990, 2001) and the UNO (1995) on the other hand dealt with manifests symptoms of poverty without identifying the originating causal factor. Yahie (1993) stated that they are (i) structural causes of poverty which rest

on limited resources, lack of skills and locational disadvantages. These were viewed as missing the point and (ii) transitional causes precipitated by changes in domestic policies. This again did not capture the source of the African poverty disease. Frank (2010) posited that the culture of the extended family system which paradoxically was a source of wealth in pre-colonial Africa, became inappropriate for application in the New Industrial state, with its individualism -which is the main cause of the poverty of the African citizens. This got close but short of the original causal variables.

### **Lacunae in the Literature**

All the literature reviewed threw-up the obvious manifestation of poverty. They attributed poverty to the failure of public policies. The one that focused on the cultural dimension also missed the point situating the problem therein to the cultural practices. None of this prose actually identified the origin of the problem because they viewed the problem from the super structural level of poverty. They therefore provided gaps to be filled by the current study. This study consequently filled the gap created in the discourse for it located African poverty in the:

i) African cultural norms and practices of the ‘extended family system’, within which is the ‘Mutual Social Responsibility’ which obligate an upwardly mobile individual, to take responsibility for the education and care of at least a member of the extended family beyond his siblings.

ii) The individual who is so obligated now share his fiscal income between himself (his family), his siblings and a member of the extended family (by seeing him through his education/marriage).

iii) The implications are that he has a high percentage of his income devoted to recurrent expenditure rather than investment, thus, very little go to Savings if any at all. He become poor by his inability to save, this affect the Banks inability to mobilize enough deposits to grant loans to finance long term investments in Africa. This is the cradle of the poverty of the African person, translated into the poverty of the nation and of-course the continent. This is so because the society is ‘individual writ-large’.

iv) An African whorebuff to toe this line of behavior, as espoused above is visited with witchcraft or persistent ailment which eventually ends his life. It is for this reason that African hardly live a life above the poverty threshold. This is part of the actual cause of African poverty.

## **2. NEW INDUSTRIAL STATE: THE VALUES**

In this section of the study, the intention is to show that the values of the African society with which individual Africans were socialized, are incongruent with modern society, it does reinforce the poverty of Africans in modern time.

It is now clear that the Africans that emerged into the New Industrial State are without capital for investment because they are not able to defer consumption

to raise capital. He belongs to the group of extended family, whereas, in modern society the individual has far more standing than the group. The New Industrial State, operates on entirely different values and norms which are contradictory to that of Africans. These values are; (i) it is a market society where everybody wear a commodity mask. One is known by what you offer for sale in the market society. People are known by their skills e.g. doctors, engineers etc. In Africa, people are covered by the extended family (ii) There is regulation of the market society and competition strive. Whereas, the African society is inclusive, where about 60 percent of Africans lived on the goodwill of others. The society is regulated by the law of 'demand and supply'. (iii) The market society is characterized by contract agreements between the buyer and the seller. (iv) The rule of law (v) The society is categorized as impersonal and individualistic, these are the very opposite of African cultural values (vi) People must be free and equal to engage in any legal venture this not true in African culture, because the law is a respecter of persons, especially those closer to the source of law, that is, there is no equality before the law in Africa. (vii) Innovativeness. These are obviously the characteristics of the New Industrial State which are countervailing to the values, Africans bring from their cultural background.

As a result of this, Africans cannot obtain resources for development of the states and the continent from within, hence, foreign aid, Foreign Direct Investment, loans, grants and dependency become the policy options which entrench more poverty through the quantum of resources, they take away from Africa.

### 3. SAVINGS AND DEVELOPMENT

It is pertinent that we identify what development should be and the role of Savings to guide the discourse. 'Development' a very contentious phenomenon expected to be the outcome of governance, would be facilitated by the financial institutions and policy option, when many people defer expenditure and save. This is because finance is the vehicle which drive growth. The UNDP had described it as consisting of the ability (i) to live a well in good health, (ii) to have ideas of the environment around one, (iii) to live well and good. All these indices of development are only realizable when finances are available. These enablers of development are facilitated by the individuals in the New Industrial State. Development however, could be calibrated by indicators such as; employment-the number of people willing to work who could find work, poverty-lack of resources which deny one choices, health, -the state mental and physical wellbeing education,-access to the means of learning to know the environment around one, social cohesion, the capacity to cooperate with others, safety and security and good governance (UNDP cited in Frank, 2015). It is again difficult to find how these are possible without finance.

However, Professor Dudley Seer distinct '*Development as distributive Justice*' wherein he submitted that it involves not only economic growth, but also where a country has adequate food, jobs and the income inequality among them is

greatly reduced. He had averred that in order to understand development we need to interrogate what happened to the following social events thus:

- what has been current state of poverty in the country and in the continent?
- what has been the situation with unemployment?
- what of inequality?
- what is trending about self-reliance?

If poverty had reduced, unemployment declined, and inequality fallen, while self-reliance risen „then beyond doubts this have been a period of development for the country concerned”, (Seers, 1969 cited in Frank 2015), when ‘self-reliance’ increase, then there is progress on ‘development’ continuum (Frank, 2019). We shall discuss the above against the backdrop of the aspect of African culture which is the thrust of the study. On poverty, we had earlier submitted that the culture of the ‘extended family system and the strategy of Mutual Social Responsibility, diminishes the capacity of the African person to start savings, which help to maintain economic growth through either increase Bank deposits, purchase of securities or stocks (buying shares of quoted companies in the stock exchange) increase cash holdings and availability of funds to finance both private and public sector projects whose spill-over effect would become income in the hands of people and reduce poverty. A positive correlation exists between domestic savings, economic growth and development. This is because at any time when there is increase in savings, it stimulates economic growth which translate into development.

Employment- capital mobilized from domestic savings is very fundamental for a country’s development not only because it has a low cost, but also due to the fact that it is durable and permanent. Thus, when banks out of domestic savings mobilize funds, ventures would access it and set and operate businesses which would employ Africans and employment is created, goods and services are produce, the state earns income through taxation and the economic development is attained.

Inequality is endemic in African culture. First the women are socially discounted, even the concept of the extended family and mutual social responsibility abhor the training of women by the upwardly mobile member of the family. They cannot inherit property, have no income generating occupation hence cannot think of saving. They are discounted from the development processes and do not contribute to it. Inequality is expanded rather than reduced by the extended family system in Africa.

Self-reliance, traditional African society was inclusive and relatively self-reliance because about 60 per cent of the people depended on the goodwill of the inclusive society and on anyone who is making progress. All these culminate into development, hence the poverty of the African individual and the continent. These factors could not be transferred into development because of the determinants of

African culture. Where conscious attempts had been made, it result in 'resource curse' in the various countries and in the final analysis the continent. In the New Industrial State, African resources are exploited by foreign experts, managed by them and purchased by them at a price determined by them all these amount to greater poverty of the individual states and the continent.

#### **4. TACKLING POVERTY IN AFRICA**

Africa and particularly sub-Saharan Africa has the lowest Savings rate in the developing world, it averages about 18 per cent of the Gross Domestic Product in 2005, as against 26.7 per cent and 43 per cent of East Asia and Pacific countries. South Africa domestic saving rate was about 27.7 per cent in 1980 but dropped to 13 per cent in 2006. Uganda have consistently vacillated between 10 per cent of the Gross Domestic Product. 80 per cent of African families do not have bank accounts. These facts would certainly enhance poverty.

What Africa would require in the liberal tradition which is the ideology of current global political economy would include; (i) social changes by which the cultural norms of extended family and Mutual Social Responsibility would be dropped to free the fiscal resources of the individual (ii) Increase the rate of savings, because it would mean economic growth through increase bank deposits, purchase of securities, increased cash holdings. (iii) When wealthy Africans invest their earnings in Africa rather than overseas, the 'spin-off' effect would be salutary. If 80 per cent of Africans who are without bank accounts start to access formal financial services and save. When African governments put their domestic revenues into productive investments. Rates of savings would go up very high and Africa could perhaps be in a position to meet its fiscal requirement needs (UNCTAD 2007).

#### **5. CONCLUSION AND RECOMMENDATIONS**

The values of African culture of the extended family system is antithetical for development in the New Industrial State and should be change to the values of individualism which is commensurate with modern society. The values of the extended family, should cease forthwith and nuclear family become the main stay of relationship in order to reduce the burden of the African person to face modern society. African societies do not have social securities, mortgages, Medicare, high electricity cost, water, etc., the African had to provide all of these for himself out of his income.

When the source of low expendable income would have been removed, and bank savings increased in Africa as a result of this, both the individual and the continent would be able to mobilize resources from domestic sources, attain flexibility in its policies formulation and implementation and address its challenges. This would also enable it direct resources into areas of need and strengthen both the individual's and the continent's capacity to direct its resources to where it is most needed.

Africa is estimated to lose hundreds of billions of dollars in domestic revenues annually expended on members of the extended family (most of who live on the goodwill of others), which would otherwise be save in the banks. A change in the culture would free up considerable resources otherwise Africa would be tied to official Development Assistance (ODA). Dependent on external sources of finance instead of generating one internally for economic development, leave the continent and its people prone to external economic tremors.

A change in the aspect of African culture of extended family and Mutual Social Responsibility is certainly the first step to move Africans out of poverty at the individual and continental level. This fact take precedent over all other determinants of individual, state and continental poverty in Africa.

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