

INTS 395

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The Economic and Political Polarization Maintained Since Era of Colonialism and Imperialism  
Through Institutions Policies and Patterns through Globalization.

The economic and political world has been economically polarized since the age of imperialism and colonialism. The extension of first world countries power and influence being forced into third world countries created a division between the colonizers and the colonized, reaching its peak in the 17th Century. Colonialization is the result of self-interested development by Europeans to exist outside of Europe. The political desire in many colonized countries was primarily focused on how to better the home country of the colonizer rather than the country they occupied. Therefore, there was no structure available to look out for the well-being and development of the colonized country or peoples. Decolonialization saw the end of the forced presence and practises of the colonizers, giving previously colonized countries the ability to have political independence. With decolonialization, the political and economic world made another great shift, evident by the emergence of the United States as the sole superpower, along with the worldwide pursuit for development. These changes came with known ills, leading to a succession of development theories attempting to explain and correct these issues. These theories became used in vain as those in power erected structures to ensure the persistence of the developing world, whether it was universally desired or not. Negative affects of the new capitalist world began to intensify as these global institutions were established with the assumption that they would actively promote equity and improvement to all countries and peoples involved; they did not. The political era of this time set the stage for an extreme contrast within the financial class structure, as well as in the overall education and care amongst the population. Unfortunately, in this new setting there was to be less cooperation and more imposition and coercion. This article is going to explain the ways that the economic and political world were impacted during the time of colonialism and imperialism and how it has manifested modernly in international institutions, policies, and practices that govern our globalized world.

The era of colonialism and imperialism set the basis for the global, political, and economic polarization that has been maintained to this day through institution establishment. It began in the middle of the 13th Century and ended with World War Two, ultimately resulting in

decolonialization. The onset of colonialism both produced and utilized a large wealth gap that has continued to grow and overwhelm the modern global community. Colonizers distorted the economic structures within the overrun state. When taking control of a country, colonizers strategically created governing institutions to support their own economic and political interests within their new colonies. A determining factor for the type of institution that they would establish in any given country rested on their personal mortality rates within these new colonies. Europeans could not see the value of settling into the new countries themselves if situational factors, such as diseases or natural disasters, increased their mortality rates. They desired the goods and resources from within the uncolonized countries, but had a hard time getting their own people to willingly live in these threatening new places. This resulted in two forms of colonizing: exploitative and extractive colonialism. These two approaches were different in regards to the institutions they established. The institutions set up in extractive colonies did little to benefit the population or communities. Instead, these institutions would extract as much capital as possible from the colonies; social protection was not regarded. They would join efforts with high class locals and would offer them great personal benefits in order to extract the goods and resources of their colony without themselves having to settle into the community. Harvesting and exporting resources were the primary focus of these institutions, ideally with little to no processing. This allowed the colonizers to gain wealth by manufacturing and selling the goods for high costs back in Europe. The institutions would urge colonized countries to keep the costs low to maintain their monopoly on the raw material. In reality, the colonizers simply wanted the raw cost to stay low to allow their own profits to surge.

Meanwhile, the colony's population would suffer due to the minimal profits made by selling their raw materials at such a low cost. On the other hand, some countries fostered well-being and low mortality rates for the colonizers. Here, colonizers would set up institutions that were similar to those they had come to know in their home country. They settled in these states and worked within the communities attempting to develop the new colony and replicate of the economic success of Europe. These would become settler states. Europeans settling in these

states would often marry locals to improve their business skills in the newly colonized country. Their local significant other would have the knowledge and skills necessary for success within their home colony, acting as a sort of business partner for the Europeans who knew little of this new country and its people. The partner could speak the language, navigate the land, and had important connections within the community. This relationship could be mutually beneficial: the partner of the European would, in death, inherit the wealth accumulated by the European merchants, which was more than they would ever accumulate on their own. Often, the European partner would have a shorter lifespan, existing in a foreign country compared to their local partner, further incentivizing the marriage from the local's point of view. Similarly, it granted the local more safety and a higher class status. These two forms of colonizing set the stage for each country's economic and political future to become polarized, either set up to achieve wealth or to give it away.

Many countries believe that the quality of early childhood education and care support have a remarkable impact on a country's development and well-being. It is also recognized that the achievement of quality and accessibility depends on funding levels and approaches as well as on the delivery agents of the programs. These beliefs are based on long term gain expectations described by US studies such as the Perry Preschool Project. This is yet another determinable affect of a country's institution composition. Social programs are either for-profit or not-for-profit. Generally speaking, not-for-profit social services give more quality education and care; they receive social funding from their government in order to operate and improve these services. For-profit services are likely to care more about profit and disregard quality; there is more incentive, in the capitalist world, for these services to accumulate wealth over social results. Investment in quality social services cyclically leads to a more educated and skilled population that is better equipped to understand and succeed in society. It may also be understood, then, how a disregard for this sector is likely to perpetuate pre-existing political and economic polarization. Sweden is a successful example of the importance of quality as it

continually scores high on early childhood education and care quality, with many competent labourers resulting in a stable economy. The country has acknowledged that the concern of quality education should be paramount to all other aspects. Disregarding this results in lower standards and ultimately lower quality education and care. Less developed countries have less funds to give to social services as a whole, and ultimately less services to ensure the success of any ECEC programs they do have.

Many theories arose following the end of colonialism. Two other circumstances prompted the global shift: first, the fact that the capitalist U.S.A. emerged as the most globally powerful country following the world wars; and second, that development became urgently sought after by most countries. Development theory emerged during the time of US imposed Martial Law and was seen as a way to abolish the stagnant wealth gap. It saw capitalist issues, such as the wealth gap, as products of cyclical deficits on demand. This, primarily Keynesian, theory of development saw capitalist crises as inevitable and believed that the state could offer solution through capital injection and management of disequilibria. State intervention on social services in this way gained credible traction as an attempt to combat negative capitalist effects. Development was hoped to be the accelerant of previous colonies to reach a similar state of well-being as European states. It was believed at this time that state management was the answer to remedy the known problems associated with capitalism. This theory, paralleled by Keynesian economics, ultimately led to the creation of the Bretton Woods Institutions and the overarching idea that the state knows best. These institutions are made up of the World Bank and The International Monetary Fund. Karl Polanyi introduced the idea of the 'double movement' within these societies chasing development. This idea claims that the capitalist movement would inevitably coincide with market failure due to its inherent treatment of land, labour, and capital as though they were disposable commodities. Negative and deterministic implications came along with the language and terms used, such as third world and first world, developed and less developed, etc. The usage of these labels simplified and universalized the economic and political complexities of each independent country. Similarly, they disallowed

recognition of some of the poorest peoples in any given country by generalizing their situations under panoramic terms. In the new capitalist world order, countries started seeking development on increasingly larger scales following World War Two. Many countries were in a state of disarray which created an opportunity for powerful institutions to offer their “help.”

America’s push for capitalism led to theories to rid it of its known problems, such as uneven distribution of wealth and likely breakdown of market coordination. It is and was well known that capitalism allows the minority to profit at the majority’s expense. Keynes’ economic theory laid out the groundwork for early ideas of free-market capitalism, and inspired the creation of a network of policies and institutions that would promote it. As noted earlier, Keynes development theory was the inspiration behind the formation of the Bretton Woods institutions. The international economy erected and became overseen by these Institutions in 1944, which continue to promote patterns of class hierarchy within policies. Unfortunately, some of the most important points Keynes made for using his theory fairly were intentionally left out by those in power upon adopting his theory. A key point of Keynes’ economic theory was to offer loans to ex-colonies for development, though, importantly, paying back these loans should not be expected. When the governing institutions adopted a variation of his theory, they left out the unexpected repayment, instead, pushing countries further into debt than they would otherwise been trying to repay their loans. Many less developed countries are forced to spend more on loan repayment than on social policies or early childhood education and care due to the tight constraints given with loan adoption for repayment. Most of the economically positive aspects of Keynes’ theory were replaced with exploitative tendencies towards vulnerable populations when adopted into practice by the Bretton Woods institutions. Keynesian policies can be misused to benefit certain groups at the expense of others; they have been used to promote economic growth by exploiting low-wage workers or engaging in environmental degradation, depleting resources the local population needs to survive. Additionally, some institutions have used Keynesian policies to bail out failing industries or banks without addressing the root

causes of their problems, leading to further exploitation and inequality. The disregard for equity and sustainability in the practice of Keynesian economics has only sustained the disparity. The International Monetary Fund and the World Bank imposed policies such as forced Structural Adjustment Policies (SAPs), which keep countries in debt and in constant repayment. They demand repayment for loans as well as only give them on the condition of adopting their SAPs. These hostile programs forced countries to follow guidelines given by developed countries. However, their insinuation of knowing best for a country they know nothing about by providing a framework to follow is incredibly naive and detrimental. It promotes the false assumption that there is only one way of developing and that it is the way of the West.

Globalization is the widening, deepening, and strengthening of worldwide interconnectedness. The world economy is long standing, though the speed and degree of economic convergence has reached unprecedented levels. There was a general consensus in the inter-war period to favour a large state role in the economy to aid in the known tribulations associated with capitalism. This desire was further amplified by the emerging economic theories of this time, beginning with Development economic theory. Development economics became a catalyst for other theories such as the Modernization theory, Dependency theory, Marxism and Neo-liberalism. Modernization theory believed that the problem of development was due to an original state of non-development. This theory was based on the premise that all countries started at the same tradition state and took the same path to become “developed.” It laid out 5 states within this developing process. This began with the traditional state. From here, the next state, preconditions for take off, involved the establishment of the country as a nation-state and the beginning of economic changes. This state was deemed most likely to meet conflict. Next, the take off state, suggested a 10% rise in investment as well as increased productivity in industry and agriculture. Drive to maturity saw production of more diverse goods within the economy as well as further elaborated economic growth and modernization. This state would see great technological sophistication as well as integration into the world economy. Lastly, a country would achieve a modern, mass consumption society. Displays of

this state would be high average incomes and consumption expanded beyond just the needs of a population. This theory matured into the presence of a new one: Dependency theory. This was the idea that less developed countries must play a game of catch up in order to achieve a state of development equivalent to that of the more developed countries through capital injection and dispersal of modern values and institutions. This state of development that modern countries existed in became the end state sought after by less developed countries, but this financial infusion came with an unjustifiable price. Social services, including early childhood education and care, became increasingly disregarded. Privatization, labour restrictions, cuts in welfare and subsidies, deregulating the economy, and devaluation of currency became the norm to afford prioritizing development. The new capitalist society proved to contain an inequitable wealth distribution. It identified the fact that a single integrated process of capitalism had differential results for different countries. In some it would produce development but in others it generated underdevelopment. The theory made a distinction between two areas within a society: the advanced industrial “core” and a largely agricultural “periphery.” Paul Baron, advancing the theory, concluded that imperialism was inherent to capitalism and that imperialism never really ended but transformed into the US led capitalist global society. It was ultimately believed that the free-market was liable to breakdown occasionally by decreased production. Marxism acknowledged that capitalists contradicted reality; It is unjust, exploitative, and crisis prone. It also recognized that capitalism has, nonetheless, taken our social productive capacity to greater heights than ever before. This theory has been criticized for underestimating the problems of the third world as it believed that underdevelopment is a result of not exploiting a country enough. Neo-liberalism was the turning point - the idea that countries could ‘catch up’ with one another. It wanted the Bretton Woods Institutions working in forms hostile to development, marking a major change in the theory and practice of development. It saw government as an obstacle to development as evident in anti-state and pro-market dogma. It refocuses instead on social relations of



production, the political character of rising state's and the circumstances necessary for progressive options to be beneficial. These theories illuminate the pathway to understanding how our global institutions have become what they are as they evolved through the stages of colonialism, decolonialism, globalization, and development.

The era of colonialism and imperialism has allowed for a hierarchal partition regarding wealth and power. Colonizers have prioritized serving their own success while professing pretexts of a new successful colony. This wealth gap is an undeniable reality of today's capitalist economy. This unjustifiable contrast is perpetuated by the maintenance of governing international institutions. The disregard for sustainable development and forced political piloting drove many less developed countries into a cyclical existence of debt. Decolonialism saw a step back from government amongst the capitalist globalizing world. Theories of this time display the known crises. Economic and political polarization has been maintained by a refusal of compromise amongst the most powerful institutions. Instead of seeking social development and true improvement, they forced a single pathway that created a zoo of countries, either stagnant or worse off than they would be had they been left alone. It is time to adjust the long standing patterns and policies hidden behind our globalized world. It is time to listen and cooperate rather than constrain and coerce. The economic and political world must see a change in global governance resulting in adjusted global institutions as well as their policies and practices in order to begin to address the long standing polarization it has ultimately helped stagnate.

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