

## **Economics of Afro-Pessimism: The Economic Impacts of Perception on FDI**

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*“...the main ingredient in the power of the weak state is the image it has in the minds of decision makers in the powerful states... Yet, in the fields of development and African studies, literature exploring the possible correlation between Africa’s negative image in developed countries and the continent’s development pace is scarce.” (Onwudiwe, 2003)*

Afro-pessimism, a popular topic in the 1990s, is largely studied with regards to African fiction and literature, sociology, anthropology and media studies. Within the field of international political science, however, there is little to no study exploring the possible impacts of such perceptions on economic development and development policy. This is despite the fact that Afro-pessimism has been shown to affect international political decision-making.

As such, my paper explores some of the aspects in which Afro-Pessimism negatively affects economic development in sub-Saharan Africa through perceptions of African political mismanagement and corruption resulting in lower foreign direct investment (FDI), misinformed agricultural policies, and less centralized aid-giving with a resulting loss of sovereignty. Particular attention is paid to the effects of perceptions of investment risk, largely based on governance and political stability, on determining FDI.

While some of these perceptions do exist in other contexts without a deleterious effect, for example corruption in China, the confluence of the many negative images associated with Afro-Pessimism creates a sense of these problems being worse and more intractable in Africa. In this way, Afro-pessimism becomes an economic force as well as political and social, and may have a possibly retarding effect on Africa’s economic development.