

Globalization and Africa's Development: Problems and Prospects

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Abstract

Globalization is viewed as a complex and dynamic subject-matter that can be analysed from different perspectives hence, this study examined globalization and Africa's development: Problems and prospects. The study adopted secondary data and the Marxian political economy approach as its theoretical framework. Since the study was descriptive, analysis was done qualitatively in order to understand the impact of globalization on Africa's development. Findings from the study revealed that the institutions and economic structures of globalization including its rules and regulations are structured in favour of developed economies (advanced countries) hence, placing developing countries including weak African states at the receiving end of the globalization spectrum. This development can be corrected if African states and its leaders embrace democratic principles and values that will encourage and promote indigenous technology and development frameworks.

Keywords: *Globalization, Africa's development, Problems, Prospects, African states and leaders*

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Background to the Study

Globalization is one concept that cannot be limited or restricted to a particular discipline or sphere of knowledge but rather it is described as a natural historical progression to the internationalization of economic and social policies, activities, ideas and the standardization of political structures and practices. Scholars however hold the view that the father of globalization is science while the activator is technology (the mother). The most visible manifestations of globalization are in the economic and telecommunication spheres while the most important characteristic of globalization is the information technology (IT) which makes it possible for citizens and states to relate across borders in seconds and also wage war without the usual mobilization and deployment of the military. With globalization, it is now possible for a country to disconnect another country's defence system, satellite system and airspace by simply pressing a button in order to gain strategic advantage. In the field of science and technology, globalization has brought changes in the way human activities are organized and conducted. Therefore, the concept globalization is viewed and analysed differently by different scholars. Some believe that it is a blessing to the human race while others see it as a curse. Others are of the view that the gains of globalization outweigh its problems and challenges hence, the concept should be embraced by all states irrespective of their level of development. It is in the light of the above facts that this paper examined globalization and Africa's development: Problems and prospects.

Theoretical and Conceptual Analysis

The study adopted the Marxian political economy approach as its theoretical framework in order to fully understand the concept of globalization and its impact on Africa's development. The basic tenet of the Marxian political economy approach is derived from the inter-relationship and inter-connection between the economic, political and order facets of the substructure. This approach recognises the complementary relationship of all spheres of human existence but in which the economy plays a determinant role. Equating the relationship between developed and developing countries as a struggle for power and economic control Marx (1932), argued that the importance of geo-politics in human history and the underlying economic benefits account for the development of most large international organizations and institutions. He stated further that the struggle for power between the European states through the scramble for Africa in 1884 – 1885 led to expansion of territories and borders while economic motives were the main reasons for the development of world trade and global market. Marxian political economy scholars contended that political attitudes and group behaviour including political actions and policies cannot be assessed or determined in isolation hence, this theory was adopted in order to explain the interrelationship between African states and the economic policies introduced by developed countries in the process of globalization through trade. Marxian political economy approach in this study clearly explains the nature of interaction and relationship existing between the industrialized nations and African states in terms of trade and economic activities

Conceptual Analysis

Globalization as concept does not mean the same thing to everyone and it is not new to the world. Many scholars and researchers believe that globalization falls into three phases: 1870 –

1914, 1945 – 1980 and from 1980 till date. For Giddens (1990), globalization is the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring miles away and vice versa. Several writers and scholars have given different reasons why nations cooperate and compete at the global level but from the power and collaboration perspective otherwise known as the theory of hegemonic stability suggested that international economic collaboration in pursuit of an open (or liberal) economic order is most likely to occur when the global economy is dominated by a single power as was the case from 1945-1971 when the United States was the hegemonic power. In the 1990s, the theory of hegemonic stability became less fashionable as new trends and theoretical works emerged. For instance, Keohane, R. O. (1984), in his work “After Hegemony; Cooperation and Discord in the World Political Economy” identified power and economic resources as the major reasons why countries relate with one another at the regional and global levels. He noted that when these resources are scarce or limited, such relationships could degenerate or improve depending on the value and location of the resources. Nevertheless, a careful study of the literature on globalization shows that it is one phenomenon that is not easily understandable, and is therefore, not agreed upon by all as what it really is. Thus, there is no simple or agreed definition of what constitutes globalization, nor any consensus about how far the process has advanced, and in which areas. What is rather evident is that globalization is a major site of contestation making it a complex but dynamic subject-matter at all levels.

While analysing international political economy from the realist school of thought, Kauppi (1993), stated clearly that international political economy realists also work with a conception of the world in which states struggle instinctively for power, prestige, and influence, but their focus is on the 'Low' political arenas associated with commercial and financial pre-eminence. He added that realist scholars intuitively turn issues of contemporary concern in world economic affairs into problems of international economic diplomacy and trade wars. In his structural realism model, Hans Morgenthau explained the reasons for the aggressive and selfish nature of modern states. According to him, “in anthropomorphizing the state and therefore treating state behaviour as epiphenomenal of essential human behaviour and that it is part of human nature to be self-serving and to chase gains solely by one's self and in the process, self-interested actions are consequently inscribed into the very logic of state behaviour.

Carr (1939), however disagreed with Hans Morgenthau's position and posited that modern historical realists work within a tradition where emphasis is on developing historically contextualized explanations for how the instinct for combative self-interested actions might be balanced in any given instance by the perceived need for a state to demonstrate to rival states that it is acting within the bounds of international political norms. Carr (1939), therefore, contended that the structural logic of state behaviour might therefore always be offset by historically conditioned concerns for turning away from exercising full aggression towards other states. This no doubt explains why most states/country tries to outsmart one another in the international arena and organizations such as the World Trade Organization (WTO) where rules and guidelines are formulated and drafted without the consent or input of others.

In his contribution to the subject-matter, Cox (1981) raised several technical questions bothering on system management; how best to organize the relationship between states in order to minimize the potential for violence between them, and how best to integrate states into an international system whose emergent properties emphasized liberal concerns for cooperation in the interest of meeting common goals. On the issue of equity and fairness Cox, wondered and asked how the basic structure of world system was predicated upon the forced institutionalization of social relations of production consisted with capital accumulation (John Ravenhill, 2003: p. 42). Using the structuralist and center-periphery framework analysis, Wolf (1974) argued that the integration of developing country's economy into the world capitalist system through trade and globalization resulted into their underdevelopment. According to him, "dependence causes underdevelopment". The conflicts and instability confronting Africa and indeed the third world further explain why advocates of Marxism continue to insist that it is capitalism both at the national and global levels that produced underdevelopment and poverty in the past and present day Africa. Neo-Marxists (dependency theorists) also contended that the international capitalists through foreign direct investment (FDI) collaborate with their domestic allies (governments) in host economies especially developing countries to perpetuate the exploitation of the unsuspecting host economy.

Analysis Showing the Effects of Globalization on Africa's Development

This section of the study examined the economic structures upon which globalization operates at the global level in order to determine its effect on Africa's development. It is a fact that globalization especially economic globalization will not flourish without certain institutions which include: the World Bank, the International Monetary Fund, the United Nations and its agencies and more significantly, the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD). It is pertinent to state that these international agencies and institutions serve as structures and platforms upon which economic globalization is anchored. It is on record that the United Nations General Assembly and the World Trade Organization sponsored the first international conference on financing for development in Monterrey, Mexico in March 2002. It is argued that through such programmes, guidelines and procedures to monitor and control international trade are prepared and imposed on other nations especially less developed nations. From the economic development perspective, it is argued that globalization is exploitative and discriminatory in favour of developed economies. It has also truly moulded the world into a social space or what is commonly called a global village. In the area of technological revolution in science and technology it is also believed that globalization has actually turned the world into a common social space (global village).

While commenting on the prospects of globalization, Annan (2009), stated categorically clear that globalization has promoted greater respect for human rights, democracy, liberalized trading, technology, and contributed to the development of an African press. According to him this has strongly opened African countries to far greater scrutiny than in the past, making life hard for African leaders and governments to get away with excessive and blatant abuses of democratic leadership governance and transparency. Making reference to some African countries he stated thus:

On the positive side of globalization is the establishment of new economic opportunities for corporations, small businesses, through the access to global markets. Kenya has benefitted from globalization by increasing the share of exports especially to the more industrialized African countries, for example, South Africa and Zimbabwe represent small markets for Kenyan goods. Moreover, South Africa plays a great role in Kenya's economic sustainability due to the opening of trade policy in 1994, which had resulted in the increase of Kenya's imports from Africa by so 80 percent. (Pedersen, 1999: p12).

McCormick, Dorothy and Pedersen (1999) corroborated the above position when they added that one of the fundamental reasons for the increase of Kenya's imports from specifically South Africa is that the Kenyan Shilling was not devalued comparing it to African Rand. On the other hand, Kenyan Shilling remained stable compared to the US dollar. Therefore, it had resulted that the imports from Europe and the USA is more expensive than it is in South Africa (McCormick, Dorothy, and Pedersen, 1999 :p.12). For Asiedu, (2002) globalization through trade and foreign direct investment accounts for the dramatic increase in Foreign Direct Investment (FDI) to developing countries. Specifically, he noted that with FDI increasing from \$24 billion (24% of total foreign investment) in 1990 to \$178 billion (61% of total foreign investment in 2000. In his words:

During 1980–84 and 1994–97, the annual average of FDI to developing countries increased by 1.630% while FDI to Africa increased by 496 percent. As a result, Africa's share in total FDI flows has dropped significantly, from 36% in 1970–74 to 10 percent in 1980–84 and to 3 percent in 1995–99. For example, over 1989–93 to 1994–98, average net FDI to Tanzania, Uganda and Zimbabwe increased by 1.6010 percent, 1.140 percent, and 1.093 percent respectively. This compares to an increase of 240% for all developing countries... The average return on US investment to Africa over 1991–1996 was 30%. This compares with 21% for Asia and Pacific, 14% for Latin America and 16% for all developing countries. (Asiedu, 2002:p.108).

In a paper titled the Impact of globalization on Africa, Al Sale (2010) argued that the negative consequences of globalization on Africa fare outweigh their positive impact. He anchored his argument on the fact that globalization has not lead to development but to anti-developmentalism strategies and policies that focuses on privatization and stabilization, rather than economic growth, development and poverty eradication, that are being held by external donors, resulting to greater inequality, poverty and sabotage the ability of the people to participate effectively in the social and political processes in their countries. Citing Sawyerr (1999) he stated thus:

Moreover, African countries are being imposed to the economic specialization that is based upon the interests of the USA and Europe that had transformed the economies of African countries into enclave economies strongly linked to the west with hardly any links among them... globalization has often forced African leaders to adopt measures and policies that are diametrically opposite to the feelings and sentiments of the vast majority of their people... (Sawyerr, 1999:p.3).

In his contribution to the subject-matter, Kwame (2009) maintained that globalization has completely destroyed African culture and values. In his words: globalization is a declaration of war upon all other cultures. It is the confrontation between the global civilization and local cultures. Therefore, if the cultures became diminished and marginalized at a stroke then that affects the languages as well, and hence, to kill the language is to kill a culture. That is why the influence of globalization is not framed on trade only which is well known but cultures which are the most important thing for any one in Africa to live his own identity (Kwame, 2009:p.7). The analysis and table below further show the impact of globalization on Africa's development.

Table 1: Summary of Econometric Results of Medium-Term Baseline Scenarios of FDI Flows By Region (Billions of Dollars)

Host Region	AVERAGE					PROJECTIONS		
	2005-2007	2009-2011	2009	2010	2011	2012	2013	2014
Global FDI flows	1473	1344	1198	1309	1524	1495-1695	1630-1925	1700-2110
Developed Countries	972	658	606	619	748	735-825	810-940	840-1020
European Union	646	365	357	318	421	410-450	430-510	440-550
North America	253	218	165	221	268	255-285	280-310	290-340
Developing Countries	443	607	519	617	684	670-760	720-855	755-930
Africa	40	46	53	43	43	55-65	70-85	75-100
Latin America and the Caribbean	116	185	149	187	217	195-225	215-265	200-250
Asia	286	374	315	384	423	420-470	440-520	460-570
Transition Economies	59	79	72	74	92	90-110	100-130	110-150

Source: UNCTAD, World Investment Report 2012.

The World Investment Report 2012, a document of the United Nations Conference on Trade and Development (UNCTAD) revealed from the above data that global foreign direct investment (FDI) flows exceeded the pre-crisis average in 2011, reaching \$1.5 trillion despite the global economic crises. The table above also shows that the increase recorded in 2011 was 23 percent below what was achieved in 2007. In summary, the UNCTAD World Investment Report 2012 as presented in the above data further revealed the following;

1. FDI inflows increased across all major economic groupings in 2010 and by 2011, flows to developed countries also increased to \$748 billion representing 21 percent.
2. That developing countries and transition economies together continue to account for more than half of global FDI (45 percent and 6 percent respectively) for the year as their combined inflows reached a renewed record high. In all, the table clearly shows that globalization through trade and economic relations has truly moulded the world into a social space or what is commonly called a global village.
3. Technological Revolution in Science and Technology: This is a another field or discipline where globalization has actually turned the world into a common social space (global village) scholars who share the same views with David Held include Jens

Bartelson (2000) who in his work “Three Concepts of globalization” maintained that globalization can be analyzed from three main perspectives, namely; Globalization as transference; Globalization as Transformation; Globalization as Transcendence. What is science and technology and how has it impacted positively in the affairs of man? These and other issues will be addressed in this section of the paper. M. E. Brown (1981) defines science and technology as a body of knowledge that is applicable to the production of goods. While it is embodied in tangible products such as machinery or industrial complexes, or in legal documents such as patents, licenses or know how contracts, it may also be expressed in the form of a skill, a practice or even a technology culture which finally becomes so diffused that it is no longer noticed. Because of the value attached to science and technology, its utilization, transfer or outright sale of such resources is the exclusive prerogative of the owner of the technology. Thus, the fear of its adulteration or duplication therefore explains why most countries flood the international market with substandard or inferior products.

Global statistics shows that advance economies treat science and technology related issues as confidential and secrete due to the security implications attached to it. From the military perspective, scholars like Thomas Schelling have argued that development in science and technology which led to the invention of missiles and bombs have made war and military strategy less attractive. Liberal scholars have also argued that modern science and technology has equally made production and expansion easy since industries and industrial complexes have moved from manual labour to scientific labour (use of machines). This point was well captured by Richard Clarke when he said “now with cyber war, we have another means of launching attacks on the other side of the world, this time with only a key board” (Richard Clarke, 2009: p. 3). Technological revolution as a fall out of globalization refers to the way modern communications (internet, satellite communications, high-tech-computers) made possible by technological advances have made distance and location less important factors not just for government but equally in the calculations of other actors such as firms investment decisions or in the activities of social movements. The gains of science and technology can, therefore, not be over emphasized. It is therefore pertinent to conclude that the impact of globalization on any nation's economy depends on the willingness of the nation concerned to embrace global economic realities and other indices of development.

Conclusion

The study examined globalization and Africa's development: Problems and prospect. To address the subject-matter, the study adopted secondary data and the Marxian political economy approach as its theoretical framework. The study also adopted the descriptive method while analysis was done qualitatively in order to explain the problems and prospects of globalization with reference to Africa's level of development. The study observed that globalization has contributed to the growth and development of developed and developing countries based on the existence of certain factors. Thus, indicating that globalization has its positive side as well as its negative side. It is there important to state that globalization affects the economic, political, social dimensions: Increases in these dimensions, if well managed in a way that supports development in the developing countries, can help alleviate global poverty.

According to Kwame (2009) one of the major challenges in Africa is to understand and manage globalization, performing our best to encourage its favourable aspects and keep its negative consequences away hence, it is imperative for African states and leaders to take advantage of the opportunities offered by globalization, by planning a long term development plan using indigenous initiatives. Since globalization thrives under certain socio-economic and political conditions, African states and leaders should also strive to make these conditions available in their respective countries rather than sit back and describe globalization as evil, exploitative and inimical to Africa's development.

Recommendations

The following recommendations will no doubt help to correct the problems identified in the study:

1. Trade policies and rules that are detrimental to Africa's development should not be accepted by African states and its leaders. In addition, Africa and its leaders should also withdraw their membership of international organizations that promotes inequality and discrimination.
2. Since the study revealed that comparative economic advantage can only be gained in international economic relations through effective bargaining, Africa and third world states should take steps to strengthen its capacity and also build institutions that can compete with global institutions like the European Union (EU), European Economic Community (EEC) etc.
3. Efforts should also be made to promote indigenous technology and development policies across Africa. This will no doubt help Africa to develop at its own pace.
4. In order to reap the advantages of globalization, developing countries need to play active roles in the international economic structures and drivers of globalization such as the World Trade Organization, the World Bank and the International Monetary Fund etc. The control of such structures will no doubt help developing states to participate actively in the policy formulation and implementation process on issues affecting trade and economic relations at the regional and global levels.
5. There is an urgent need for the democratization and restructuring of the World Trade Organization (WTO) and other structures of international globalization in other to make it more inclusive, dynamic and acceptable. This will help to remove all discriminatory rules and principles which hinder free trade and free movement.
6. There is also need for a strong and neutral regulator at the global level to check the excesses of transnational corporations and other international actors. The study revealed that the infidelity and dubious actions of multinational corporations and their agents help to create hardship rather than create development in the peripheral states. Thus, to ensure compliance, sanctions should also be imposed where necessary.
7. Steps should also be taken to check all forms of external interference in the internal affairs of Africa hence IMF and World Bank imposed policies such as the structural adjustment programme should be rejected or discarded without further delay.

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