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GLOBALIZATION AND ITS EFFECT ON AFRICAN DEVELOPMENT

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Abstract

*There are obvious widening gap in the economies and societies of the North and South. Many factors are responsible for these, and include the historical role of colonialism and imperialism, the role of multinational corporations in Third World countries, as well as dependency and neo-imperialism. Put differently, globalism is responsible for the widening gap between develop and underdeveloped countries. Against this background, this essay examines the impact of globalism on African development. The research adopted the qualitative research methodology in its analysis. It examines the impact of globalism, starting from the structure and legacy of the colonial economy and its effects on African development and finds that though colonialism is no longer in operation in Africa, the economic measures adopted at the time has continued to affect the nature and character of the development problems African nations' face in the post-*independence *era. In other words, globalization is another new method of recolonialization of African countries by those developed nations who where hitherto not part of the old colonialiszation to explore virgin land to operate and be part of the exploiters of the African countries. In order for Africa to attain development, it is recommended that they must first reassume responsibility for plotting the paths of development in their respective countries.*

Keywords: Globalization, Technology, Economy, Effects, African, Development.

Introduction

There has always been a yawning gap in the living standards, as well as in technology and capital between the developed countries (or the North) and the developing and underdeveloped countries of the Third World (or the South). This is reflected in the income, literacy, and health levels of the two regions. It is also reflected in the level of industrialization and urbanization. The South has continued to be mired in poverty since the 1960s when most of these countries gained independence, especially in Africa and Asia. There have been a few success stories in Asia, such as Malaysia, Singapore, South Korea, Hong Kong, Taiwan, and China, whose economies have witnessed very impressive growth. These so-called Asian Tigers are now out of the inglorious and unedifying tag of 'Third World countries'.

A number of reasons have been adduced to explain the widening gap in the economies and societies of the North and South. These include the historical role of colonialism and imperialism, the role of multinational corporations in Third World countries, as well as dependency and neo-imperialism explanations.[1] Colonial rule involved the economic exploitation of the resources of the colonies for the benefit of the metropolis in Europe. This marked the beginning of the economic gap between the North and the South, for while the North became industrialized due to its exploitation of the resources of the South, the latter lagged woefully behind in terms of economic growth and development. Secondly, when the colonial regimes were granting independence to their colonies (or when they were forced out, in some cases), the exploitative economic structures they had established, remained. For instance, trade relations were structured to favour the North through the perpetuation of transferring wealth from the South to the North. Multinational corporations are the major agents in this unholy alliance because they repatriate the profits they make in Third World countries to the metropolis and invest little in these countries. They usually work in collusion with the elite of their host countries who share a harmony of interests with the political and economic elite of Europe and North America.

Consequently, globalization and development in African countries is planned at enhancing a neo colonial system of domination by the North and its agencies (such as the International Monetary Fund (IMF), the World Bank and other international financial institutions) to create a global free market for goods and services to their advantages. Put differently, globalization has accentuated the historical process by which the economies of Third World countries were integrated into the global capitalist system. Thus, globalization and development of African countries has been in existence for a long period of time, it is not a recent phenomenon. African countries have been interacting socially and politically with the rest of the world for centuries. In the process, the African countries were integrated into the global word economy which involves the following stages: Slave era: colonialism neocolonialism, and globalization, which is the fourth exploitative visit to African countries, the dominant actors in the global world are the developed countries and those that serve as sources of raw materials to the global world are the African nations. The developed countries preach the gospel of free trade, comparative advantage; free market directed by profit motivation of private enterprises regardless of national boundaries not local alliances. This paper, therefore, examine the impacts of globalization on African development.

Definition of terms

It is necessary to begin this paper by defining key terms used in it. In this essay, 'development', a term which has been defined variously by different people and has been a subject of many theories. Here, we shall see 'development' from the point of view of Dudley Seers, as when a country experiences a reduction or elimination of poverty, inequality and unemployment. According to Dudley Seers, the questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of this central problems have been growing worse, especially if all three have, it would be strange to call the result "development' even if per capita income doubled.[2]

Another term that requires definition is 'globalization'. Like development, globalization has been defined variously by different people and has been a subject of many theories. Paul Viotti and Mark Kauppi define globalism as "…the process of continual increase in transnational and worldwide economic, social, and cultural interaction that transcend the boundaries of state, aided by advances in technology."[3] And for Ishaku Lere, globalization refers to "a system of advanced neocolonialism that emerged spearheaded by the world super powers who where hitherto not part of the petition of the African countries to participate and extend their tentacles to capture those territories that were not colonized to destroy the economic base of the less developed countries by making them absolute dependence and as mere primary producers of raw materials through the process of integration into the global labour market and capital leading to inequality and widen the gap between the rich countries and poor nations of the world".[4]

African economy before the advent of globalization

The section will discuss the economy of Africa before globalization, specifically, the pre - colonial African economy. In order to discuss the overall economic change that occurred between 1885 and 1960 and its impact on African development, it is useful to make a summary sketch of the general economic situation in the earlier period, 1500 to 1885. Three features of this period have an important bearing on the subsequent discussion.

First, in various parts of Africa during the sixteenth to the nineteenth centuries, a number of states bearing all the marks of modernization either came into existence or expanded. For instance, we see examples of the consolidation of a reasonably large territory under a centralized bureaucratic system that encompassed a population far larger than any defined by visible kingship groups. We find specialized production and the production of goods for long distance trade and for distribution within the state. In addition, this period bore witness to the emergence of a professional trading class, sometimes a distinct branch of the state bureaucracy. Sometimes an alien trading class gave permission to operate within the boundaries of the state. Important strides were also made in the area of technological development, both by invention and by borrowing[5].

Secondly, the major relationship between Europe and Africa from 1500 to 1800 revolved around the slave trade. The consequences of these associations include the development of a coastal trading class who served as middlemen between the inland procurers and the European purchasers arriving with their boats.

Thirdly, during the late 18th and the 19th centuries, the slave trade was gradually abolished. Non-human commodities such as palm oil, timber, ivory, dyes, copper, diamonds and gold became the basis of the trade. But though the commodities changed, the structure of exchange did not. Europeans controlled the trade. Chinweizu cites the instance, when African merchants at Calabar sought, at the beginning of the nineteenth century to buy sugar-making equipment from England, the British refused to sell it to them lest they industrialize and compete with Britain's West India interest. And as far as prices went, the Euro-African market was a buyer's market in raw materials and a seller's market in manufacturers[6].

The structure of the colonial economy

There were basically three types of colonial economies in Africa. First is the peasant-statist regimes, known all over West Africa and parts of East Africa. These were basically primary commodity export enclaves. The colonial government provided the minimum of infrastructure to ensure that export crops would be produced by peasant farmers and shipped to Europe. Taxation was intended to make the administration self-sufficient, and social services were minimal. The colonial government determined what should be produced for exports, in what quantities, and also determined producer prices. There was minimal private participation outside agriculture, and hardly any processing took place.

Second were the settler economies that developed plantations using huge labour reserves in Eastern and Southern Africa. In the settler economy, plantation agriculture was controlled, by European settlers that confiscated land and marginalized indigenous people. Investment was much more significant as the owners of the capital also lived in those colonies. While exporting mainly primary commodities also, the role of the government was minimal, hence influencing largely the incentive structure.

Third is economy organized around chartered companies as in Congo. In the chartered economies, the main characteristics was the involvement in mining by those chartered companies, the little regard for agriculture and associated labour, and infrastructure only to support mining and related activities. There was little attempt to develop domestic governance structures and no investment in human capital development and social services.

The legacy of the colonial economy

The legacies of the colonial economy have been both positive and negative. However, the negative legacies so outweigh the positive ones. In this section we shall summarize those legacies.

On a positive note, colonial economy builds the social and economic infrastructures like the development of rail road, feeder motor roads, and telegraph. The exploitation of mineral resources which broadened the scope of economic activities as well as the introduction of an easily portable, universally acceptable medium of exchange (a common portable currency) which bring order and rationality to economic activity and the task of government.

On a negative note, there was hardly any industrial production. Colonial regime discourage the establishment of industries except the extractive industries such as tin, oil and coal that were needed to increase European industrial undertakers at home. Other industries that could produce foods and employ labour force such as textile industries, consumer goods were not allowed to exist in the colonies. The objective was to prevent competition with European manufactures.[7]

Colonial regimes made Africa a single product dependent economy. It directed the activities of the African to the production of cash crops and all the research centres which they established was geared towards the production of these cash crops. For instance, in Senegal and the Gambia, the economy was streamlined to produce groundnuts, primarily peanuts, which were a cash crop needed in France, This led to the destruction of other agricultural products, such as rice, that were daily dietary staples. Under the colonial rule, rice was no longer produced locally but had to be imported. As production of cash crops became the sole product of the economy the society became dependent on the French access to foreign markets and imports just to provide for basic needs.[8]

More so, entrepreneurship was quite absent in most societies. Colonial economy squeezed out the African middlemen, whose wholesale operations declined. They were maneuvered out and constrained to be retailers of imports or produce - buying agents of European companies which fixed prices stiffly against the African.

European demand dictates patterns of development. What is most significant about the colonized economy is that development was dictated by the perceived needs of Europe. Considerations of Africa's separate welfare hardly entered at all. If all measures undertaken for the benefit of Europe brought some gain to Africa, fine; if not, it didn't matter.[9]

There was also significant social inequality as well as ethnic and regional inequalities became pronounced. In summary, the colonial economy was an appendage economy of Europe, an economy whose productivity was geared to the requirements of foreign trade, an economy designed to bleed the continent and to neglect African needs.

Effects of globalism on African development

Evaluating the effect of globalism on African development involves thinking about what the trajectories of African societies would be in the absence of globalism. Put differently, would African's economic development have been different without globalism? Would it have been richer today?

Globalization has accelerated the growth of the global capitalist economy and worked enormous hardship on the economies of Africa. For instance, among the features of globalization are the integration of trade, capital movement, movement of peoples, and advances in technology.[11]In all these, Africa countries operate from a disadvantaged position. For example, in the area of international trade, their economies cannot compete with those of the advanced countries of the North. Thus, using the instrumentality of the World Trade Organization (WTO), the countries of the North have embarked on deepening their economic hold on the Third World in general and Africa in particular. Also, the issue of capital movement is a one-sided affair, with multinational corporations embarking on unrestricted exploitation of the economic resources of Africa countries, thereby further impoverishing their host countries and communities. The free movement of peoples within the ambit of globalization is not without its own problems. For one thing, there is really no free movement of peoples, and racism is still a reality in international relations. For another, whatever movement there has been has involved mostly professionals and intellectuals from the African countries relocating to the countries of the North where their expertise has helped the economic well-being of both themselves and their host countries. Finally, advances in technology have not significantly reduced the technological backwardness of the African countries, but have, in fact, accentuated them. That is to say, those technological advancements in the developed countries of the North have rather aggravated the dependency status of the African countries.[10]

Therefore, the benefits of globalization cannot be said to have been even, because the North is benefiting at the expense of the South (especially Africa). The widening gap between the two makes mockery any talk of a true global economy, for while the countries of Africa have remained economically vulnerable and insecure, the North is adopting unilateral protectionist measures and strengthening regional economic alliances that are mutually exclusive, such as the European Union. This idea of regional economic regimes in the North and the continued refusal of the advanced countries to support the demand for a New International Economic Order (NIEO) by Third World countries portends a great danger and difficulty to the economic development of the Third World (including Africa) and by implication, a threat to world peace and security because poverty and hunger in the Third World will result in global political instability. When there are political pressures on member-states of the international community, the international system will be faced with the challenge of avoiding and containing the possible political and economic repercussions.

As early asked, would African's economic development have been different without globalism? In answering this question, we look at how colonialism (an aspect of globalism) negatively affected the African development. It negatively affected African development in many ways, including:

i. Colonial economy stalled the development of technology and industries that had been occurring in Africa. Prior to the partition of Africa, local production provided Africans with a wide variety of consumer goods. The economic policies of colonialism forced the demise of African industry and created a reliance on imported goods from Europe. Had native industry been encouraged and cultivated by the colonizing powers, Africa would probably be in a much better economic and technological position today.

ii. Colonial economy destroyed the Trans - African trade and cooperation. Prior to the partition of Africa, the continent had become increasingly integrated economically, with trade occurring north-south and east-west. The policies of the colonial powers redirected all African trade to the international export market. African internal trade followed the paths of easier communication and organized itself around the European economic and communications grid.[11] Thus today, there is little in the way of inter-African trade, and the pattern of economic dependence continues.

iii. The most significant negative impact of colonial economy was the over-emphasis on single cash crop production. Colonial Africa economics were focused on the production of one or two agricultural products for consumption in the world markets. Today, most African countries have preserved this legacy, that is, concentration of export earnings on one or few primary commodities that are highly vulnerable to exogenous terms of trade and demand conditions. African economies depend heavily on this primary, often enclave, sector for foreign -exchange earnings and government revenue. The excessive dependence of the economy on a few products has resulted in negative shock having disproportionately damaging effects in Africa.[12]

iv. Low investment and savings is one of the negative impacts of colonial economy on African development. Much of the private investment m the colonial period was dominated by foreigners. The domestic capitalist class was virtually absent in all but a handful of African countries. At the eve of independence, countries saw capital flight and de-investment, perhaps owing to fear of the incoming nationalist governments. After independence, despite the battery of incentives introduced by African governments (co-financing, protection, tax holidays, repressive labour laws, etc) private (foreign) investment was still restrained. This resulted in massive borrowing from abroad, and as a result accumulated external debt rapidly.[13]

v. Another negative effect of colonial economy is the creation of high inequality levels in the African societies. While individual colonial societies undoubtedly displayed a great deal of diverse characteristics there was a high level of income inequality in all. At the time of independency the levels of inequality in the former colonies were around double the levels in the United Kingdom, France and other Western countries.[14] The stratification of international and domestic bourgeoisie, between the peasantry and the bourgeoisie, and between capital and labour has impacted on the socio-political and economic life of modern African states.

vi. There are some positive impacts of colonial economy like the introduction of a common portable currency which bring order and rationality to economic activity and the task of government; the exploitation of the mineral resources which broadened the scope of economic activities, etc. However, the negative effects outweigh the positive ones.

The persistence of Africa's underdevelopment

Though it is true that development in contemporary African states is affected in a number of ways by globalism, however, it would be unfair for us to blame globalism complete as there are other third world countries that had achieved development in spite of globalism. African countries can achieve development, "both without delinking from or altering the fundamental structures of Western capitalists dominance (as shown by Singapore, Taiwan, Hong Kong, South Korea and other third-world NICs - New Industrial Countries), and with delinking from the capitalist system (as with China after 1949). So why did Africa fail? Why did not even one African country become an NIC? [15]

Corruption had been the bane of African development. The African leaders loot the national or state treasury and bank the proceeds abroad; the net flow of capital funds was out of Africa to the West. Another aspect of corruption is nepotism. This is very common in African states today. Nepotism results in the sacrifices of merit and this have a damaging effect on development.

Central to Africa's failure was the view of development as primarily the development of consumption. Because of the high-consumption and low production strategy of development, the modernity they attained was the mere westernization of taste without an African productive capacity to service the taste. More so, whereas the structural roots of Africa's failure to develop lay in inherited dependency relations, the African inability to organize and change those relations by concentrating on the enlargement of their productive forces ultimately resulted from the dependency mentality with which the African leadership was thoroughly suffused.

What is to be done?

The first important thing Africans can do is to re-assume responsibility for plotting the paths of development in their respective countries. The tragedy of Africa's policy-making and policy implementation in the last several years is the complete surrender of national policies to the ever-changing ideas of international experts. Africa's have lacked the confidence of consciously and vigorously craft and will a future for themselves. Moving African economies onto a development path will require robust state and societal institutions. These, in turn, will require creative mechanisms to produce a true developmental State-society nexus able to synergistically mobilize human and physical resources and address the many contradictions inherent in our societies and in any processes of rapid change[16].

Africa need a system of democratic governance in which political actors have the space to freely and openly debate, negotiate, and design an economic - reform package that is integral to the construction of a new social contract. The need for the policy measures to be sensitive to the social and welfare aspirations of the populace cannot be overemphasized. Drastic measures stand a better chance of success if they are built into a negotiated social contract in which various interest groups have a stake.[17]

Conclusion

We set out to examine globalism and its effect on African development. Comparing its past with its present position, we found that the African countries have been poorer today.

We examined the causes of this decline, and we found that though colonialism is no longer in operation in Africa, the economic measures adopted at the time have continued to affect the nature and character of the development problems African nations face in the post-independence era.

We also examined the persistence of Africa's under-development, and we found out that though it is true that development in contemporary African states is affected by globalism, it would be the highest expression of African irresponsibility to blame globalism completely for the continuous under-development of Africa.

Based on these findings, we came to the inevitable conclusion that for Africa to attain development they must first re-assume responsibility for plotting the paths of development in their respective countries, established a system of democratic governance, strengthening the fiscal capacity of the state, and eliminate corruption and nepotism.

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