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AFRICAN ECONOMIC DEVELOPMENT AND THE CHALLENGES OF TRADE LIBERALIZATION

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Abstract
This paper is focused on how Africa Economy is trying to ascertain development. In some African countries they are still underdeveloped. This research world is entails how African economy can be developed and centers on Africa economy, because of trade when there are taxes or tariffs on import, it would make the economy not to be well structured. The challenges of trade liberalization are positive impacts on African economy development. In order to have good trade policies in Africa WTO has to be formed to organize trade agreement and other training policies to organized African countries trading system. In trade liberalization it involves restriction on barriers on the free exchange of goods between nations. In our research work we will look at how trade liberalization has also impacted on African Economic development both the negative and positive sides.

Introduction

Trade liberalization is the regime or trade regime in which all barriers to the free movement of goods and services are eliminated between countries. It is as aspect of globalization designed to liberalize free trade between the northern and southern hemisphere in the 21st century. Thus, the argument that developing country regardless of their level of development and industrial based should embark on the liberalization of their trade regime in order to expand products and exports, especially exports of manufactured goods and as a result promote their economic development. It a against this backdrop that the World Bank and IMF have forced African countries to embrace trade liberalization with the aim of expanding GDP and exports structures into manufactures.

The Problem

The World Trade of Problem (WTO) is an International Government Organization that promotes, motivates and adjudicates international trade, the goal of WTO is to improve the welfare of its member states specifically lower trade barriers and providing a platform for negotiation of trades. When the WTO was established in 1995 after the Uruguay round was concluded, developing countries has expected to benefit significantly from increased access to the market of developed countries for products (especially in textiles and agricultural sectors) in which they has a comparative advantage, however several years later officials from many developing countries are complaining that their countries have not been benefitted and the expected benefits to them have not materialized due to the non-implementation of the commitment of the developed countries.

Dimensions of Globalization

1. **Political Dimension:** It involves the tendency towards ambitious supranational forms of social and economic law making and regulations where individual nations cooperate to pursue regulations whose jurisdiction transcend national borders.
2. **Technology dimension:** Technology allow for the existence of de-teritorialization which can be manifested through the proliferation of high speed transformation, communication and information technology which constitute the most immediate source for blurring geographical and territorial boundaries.
3. **Socio/cultural dimension:** Socio cultural dimension of globalization manifest in the transfer of culture and other social behavior from one country to another.

4. **Economic Dimension:** It is the emergence of around the world, around the clock "financial markets where major cross border financial transaction are made in cyberspace at the blink of an eye. It represents better access to external financing or corporate national and sub national borrowers as well as the emergence and existence regulated foreign exchange and speculative market leading to goods and in some labour. Economic dimension also include the total removal of a forms of trade barriers there by creating an environment for a free flow of trade and cross border transaction. Economic Dimension also refers primarily to the success of the increase of international trade and free markets economy, what is starting new however that these recent economic activities have effective created a world market where workers, consumers and companies have the potential to enter into economic relationship with the other workers, consumers and companies in the world are associated with massive amount of financial capital, traded daily an different stock markets across the globe, as well as with global trade development. Some of the key aspects of economic globalization include: Financial Liberalization; Investment Liberation; and Trade Liberalization. These are examined briefly;

Financial Liberalization

Workman (2001) says that financial Liberalization is, when restriction on financial markets and financial innovation such as subprime mortgage loans are introduced to the economy in the long run because they lead to more efficient financial markets promoting lending and growth.

Marxist Economist opines that financial liberalization reneges' a whole set of measures such as the autonomy of the central bank of finance to move in and out of the economy, which implies the full convertibility of the currency. The abandonment of all priority sectors and an end to government imposed differential interest rate, the complete freedom of banks to pursue profits unhindered by government directives, the removal of the ownerships of banks and the end to voting caps. He also posits that financial liberalization refers to deregulation of domestic financial markets and liberalization of the capital accounts.

Investment Liberalization

Investment Liberalization is the cross price elasticity of exports with respects to bilateral relationship between countries. Investment Liberalization is when the financial structure of a country or a region is an open the market force from the control of government or other control.

Trade Liberalization

The policy of trade liberalization was advocated long way by Adam Smith (1776). He considered the policy to be the best for economy development and he considered this policy to be the best for economic development he opined that it will always save to leave the economy to be propelled by an invisible hand, i.e. the force of competition, motivated by individual self interest.

He builds his case for trade liberalization on the role which division of labour pays in economic progress, expansion of international trade is an important method of widening the market, and of promoting the division of labour, Restriction on international trade limited the size of the market, trade restrictions diminishes the cost for international specialization and thereby lower domestic productivity. In trade liberalization there is international movement of capital especially from the developed countries fourthly free trade is the best antimonopoly policy and the best guarantee for the maintenance of a healthy degree of free competition.

Economic Development

Economic development simply "is the economic transformation of nation. The nation to be transformed is not just the earth space, it is not just a matter of geography and physical structure but it also about the people about human beings of flesh and blood who make up the area people who inhabit and protect the area from elements and fellow men" (Aniebo, 2005:37). Economic in development is thus all about transforming and constraining the earth space by ways of physical up building, which serves as tangible evidence that the real development has taken or it is taking place, meaning the transformation to higher beneficent levels of the people.

Hughes (2004) sees economic development in two senses: the growth of new forms of industrial organizations keeping pace with power of science over nature and new political reaction; and, the growth of economic theories. The United States of America Urban Planning Curriculum (2000) States that Economic development is typically measured in terms of jobs and income, but it also includes improvement in human development, heath choice and environmental sustainability. Africa Economic Development (2007) opines that Africa is the poorest and most economically underdeveloped continent, but Africa has natural resources especially oil which could be used for economic development to fight poverty and meet peoples need for housing education and healthcare. Chief Economist Steve Radelett (2010) quotes that economics in many Africa countries have shown tremendous growth between 1994 and 2009, per capital growth rates averages, more than 3% per year an average income, have increased 50% in a period marked by global financial turmoil.

World Bank Chief Economist John Page (2007) quotes "he is broadly optimistic that there is a fundamental change going on in Africa, he opines for the first time in about almost 30 years we have seen in large number of African countries have begun to show economic growth at the rates, that are similar to the rest of the developing world and advanced economies, he also stated that Africa has learnt to trade more effectively with the rest of the world to rely more on the private sector and to avoid the very serious collapse in the economic growth that characterized in the 1970's, 1080's and even the early 1990's.

World Trade Organization

Ozor (2009:290) opines that "world trade organization is global multilateral international governmental organization (IGO) that promotes motivates and adjudicates international trade, together with the regional and bilateral arrangement. The WTO is central to the overall expectation trade. The goal of WTO is to impose the welfare of the people of is members countries specifically by lowering trade barriers and providing a platform for negotiation of trade, its main mission is to ensure that trade flows as smoothly predictable and free as possible. Eze (2004:7) noted that "WTO is consequent upon the Uruguay rounds of multilateral trade negotiation contained in the final act which includes the Marrakesh Agreement (1994), becomes operational in 1993, it is a global institution for managing the trade and related components of globalization, and its underlying principles is that of an enhanced free trade by the substantial reduction of tariffs, and other barriers to trade, and the elimination of discriminatory treatment in international trade relations". The WTO agreement entrenched these principles which it affirms by the result of its member to develop an integrated, more viable and durable multilateral trading system, encompassing the general agreement on Tariffs and trade, the result of past trade liberalization efforts and all the results of the Uruguay round of multilateral trading system. WTO as we know performs the following very important functions: It is also a center of economic research and analysis, regular assessment of the global trade picture in its annual publication and research report in special and specific topics produced by the organization; and,

The WTO closely cooperates with the other component of the BRETTONWOOD SYSTEM. These benefits are undoubtedly enormous.

Principles of the Trading System

The WTO established a framework for trade policies, it does not define on specify an outcome that is concerned with setting the rules of the trade policy games. Five principles are of particular importance in understanding the PREGATT 1994, GATT AND WTO.

Non-discriminatory: It has two major components, the most favored nation rule and the national treatment policy. Both are embedded in the main WTO rule on goods, services and the intellectual property but their precise scope and nature differ across these areas. The MFN rules require a WTO member must apply the same condition on all trade, with the WTO members i.e. WTO members has to grant the most favourable conditions, under which it allows trade in a certain product type to all other WTO members.
Reciprocity: It reflects both a desire to limit the scope of free riding that may rise because of the MFN rule and a desire to obtain better access of foreign market.
Binding and Enforceable Commitment: The tariff commitment made by WTO members in multilateral trade negotiation and on accession are enumerated in a schedule lest of concession. These schedules establish ceiling binding a country can change, its binding, but not only after negotiation with its trading partners, and compensation of trade loss, if satisfaction is not obtained.
Transparency: WTO members are required to publish their trade regulations to maintain institutions allowing for the review of administrative decision affecting trade, respond to request for information by other members and to notify changes in trade policies for the WTO.
Safety values: In specific circumstance government are able to restrict trade not only to protect the environment but also public health, animal health, plan health.

WTO and Africa

The world bank classifies economies into two categories, according to their capital GNP, high income industries mainly from the west, have been referred to as the developed on industrial countries, while the low and middle countries are referred to as developing countries as least developing countries. GATT was initially seen as a club for its members were poor, which included many countries parties by GATT, membership of the WTO have grown to 153 by 2008, and an over whelming majority of its members are developing countries (LDC), which are mostly African countries.

African countries have an ambivalent relationship with the WTO, of which they are a part of, they understand the benefit of trade and the need for international agreement that guide and enforce trade rules. The WTO agreement are negotiation often process multilaterally by packages, that means WTO members negotiate on several trade related issues simultaneous in a certain period of time. The agreements which constitute the WTO rules are reached by consensus among all members, such shall be highlighted below.

Agreement on Agriculture

This all important subject is covered by four main portion of the agreement, the agreement itself, the concession and commitment members are to undertake on market access, domestic support and export subsidies, the agreement on sanitary and photo sanitary measures and the ministerial decision concerning the least development and net food importing countries. In conformity with the underlying philosophy of WTO, these agreements affirms a decision move towards the objectives of increased market orientation, based on long term reform of agricultural trade and domestic policies. Some of the essential component of these arrangement are to be found in provision that encourage the use of less trade distorting domestic support policies to maintain the rural economy that allow action to be taken to ease any adjustment burden and also the introduction of tightly prescribed precious that allows flexibility in the implementation of the commitment. There are commitment in the area of market access domestic support and export competition period of negotiation from a world trade round's.

A new world trade rounds is often launched when WTO member realize limits of existing rules in protecting their right and facilitating trade. These limits may become apparent when new problem stems from the existing trade develops into the area the current set of WTO rules was the outcome of the Uruguay round negotiation as stated earlier Africa understands the benefits of these trading rues and are keenly aware of the financial and technical assistance, and preferential treatment they receive as result of the WTO initiative. The Uruguay round greatly expanded the power of the GATT system and the agreement under the GATT successor organization.

The WTO has established discipline in new areas that go beyond the remit of the old GATT. Thus the various agreement decision and commitment (WTO rules) discussed shall be limited to the agreement involving and of importance of Africa, such as agreement in agriculture and Non Agricultural goods, industry, service, trade related aspect of industrial property and environment protection. Thus, the Agreement (WTO Rules) and the consequent and overall effect domestic suppose measures that have at most minimal impact on trade policies are excluded from reduction commitment, such policies are excludes from reduction commitment, such polices included general government services for example in the area of research, disease control, infrastructure and food security, it also includes direct payment to producer.

Trade Related Intellectual Property Agreement

The trips agreement is an annex of the Marrakesh agreement establishing the world trade organization, Trips is an international agreement administered by WTO that sets down minimum standards, by intellectual property, it was negotiated at the end of the Uruguay round of the GATT in 1944. The trips agreement introduces intellectual property law into the international trading system for the first time, and it remains the most comprehensive international agreement on intellectual property till date.

In 2004 African countries concerned where insisting that an overly narrow initiated around talks that resulted in the DOHA declaration. Specifically trips contains requirement that nation law must meet for the copyright, including the right of performers, producers of sound recording and broadcasting organization integrated layout circles, design, patent and monopolies for the developer of new plant varieties, trademarks, trade dress, and undisclosed or confidential information. Trips also specifies enforcement procedures, remedies a dispute resolution procedure.

Protections and enforcement of all intellectual property right shall meet the objection to contribute to the promotion of technological innovation and to transfer dissemination of technology to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare and to a balance of right and obligations.

Implementation of Trips Agreement on African States

The obligation under trips apply to all members states, however Africa were allowed extra time to implement the applicable changes to their national law, into their of transition, according to their level of development. The transition period for least developing countries to implement trips was extended to 2013 and until 1st January 2016, for pharmaceutical patents, with possibility of further extension.

Effect of Trip Agreement on African's Economic Development Interest

The trips agreement is the most controversial component by WTO, the African continent has a collective loss in the Uruguay round. Which was most accurately felt in the trip agreement through which countries are obliged to introduced intellectual property right legislation, which standard of protection that are similar to those in northern countries, these will have an adverse effect on trade and may impede the transfer and dissemination by of technology, it will reduce access to technology, which Africa borrowed from the north, it should be noted that the present industrial countries, did not have patent IPRS laws, or as strict as those that will now be imposed through the trips agreement during their industrializing period and these enable them to incorporate technology organization from abroad in their local system.

Hepman (1993) open that these trips regulatory policy hurt African countries, because it increase the price of the patent commodity which are scarcely available in Africa and hence reduce total consumption and employment much as change economically in the world, since 1970 including some African countries reaching the position of being the state of art in several important sector, yet numerous African States remain in the position where they are still buyers rather than producers of key product and technology for the fore seeable features, for some of these African countries, if not all, enhance intellectual property right will potentially lead to increase imports and higher prices in some sectors.

The agreement will also give right to increase technical payment such as royalty and license fees to transactional companies in the northern countries that now most of them world patent, thereby inflating prices of many products by restricting competition, the intellectual property right will enable some country to raise the price of their product, beyond the cost and thus earn rent in terms of monopoly, revenue and profit example, Microsoft companies owned by bill gate which give him the patent right policy and receive rent in terms of monopoly, revenue and profit.

The TRIPS agreement have inflate price of commodities expatriated to Africa e.g. the price of medicine especially HIV/AIDS patent are inflated and these possess a problem to HIV/AIDS patient in African because of lack of access to patented drugs due to their high prices, A recent reports also shows that there is scarcity of baby milk in south African, due to increase price of baby milk, because of restricted policies such as patent rights. The TRIPS agreement also open the door to the patenting of life form, such as micro organism and modified genetic materials, many environmental list are concerned that this will be detrimental to the African environment, many non-governmental organization and farmers groups in African states are concerned that the practice of bio piracy (patenting in the north of biological material and rescues, originally in the south) will intensify, unless appropriate generic system are established in African states that protect the traditional knowledge and genetic resources of farmers, there farmers may be further disadvantaged by plant variety protection regulation. African countries fight to oppose the use of trips to patent life forms, a trend that threaten African countries over control over genetic stock for vital agricultural products.

Agreement on Textiles and Clothing for Decades

For decades, international trade Ghana, Mauritius, Zambia, Madagascar, Tanzania, Malawi, Namibia, and Kenya. At a recent meeting of the African branch of international textile garment and leather workers federation in cape town, south, Africa, members called on African government to convene an urgent continental conference on the future of clothing and textile, footwear industries, it purpose would be enable government trade union and investors to develop plans to respond to the current crises by increasing efficiency in the sector, attracting investment and improving workers welfare.

The old quota system known as multi fibers arrangement (MFN) had limited textile and clothing export by producing countries to the world’s largest and biggest market, in the United States, Canada and European Union. Its primary aim had been to protect these countries domestic textile industries from more efficient producers emerging in Asia, however by doing so, the system also gave advantage to many smaller textile exporting countries that were less constrained with by quota or preferential market in the Europe and the united states, as a result their textile export to the industrial world thrived. The MFA was initially set up in 1976 to protect their indigenous clothing and textile industries and textile industries by capping the amount any country could export to them.

The world bank says that these quotas served to prefect jobs in industrial nations and resulted in loss of 19 million jobs in developing countries mostly Asia and Africa MFA however, has an unanticipated side effect because which country market are growing much faster than domestic producers and satisfying a major opening gin the clothing market but as trade liberalization policies began to spread across the globe. The old Asian producer began arguing that quotas were an unfair restraint on trade; large retailers in industrialized nation added to the pressure saying the system force them to buy from too many difference sources, in some cases, up to fifty different countries. These mounting pressures coincided with international negotiation, for a new trade agreement.

On textiles and clothing in their sectors within ten years, at first, many African countries celebrated the liberalization of the textile sectors see it as an opportunity to improve trade it was estimated that opening up the sector would generate an additional 175 us billion dollars worth of textile and clothing. But with the end of the old system, these same countries are now finding for decade international trade in textile was subject to discriminatory quantities restriction put in place to protect domestic textile industries, particularly in the united state, Canada, Norway under WTO rules, these quotas fell under the auspices of the multi fiber arrangement (MFA).

While some counties with strong political ties to developed countries benefited from preference agreement that waste their quota level or eliminated them, many African countries suffered from severely restricted market access, during the Uruguay round. WTO members sign the agreement on textile and clothing. Effective in 1993 that establish multi lateral rules and subject the textile trade to basic WTO principle of non discrimination and national treatment, the agreement mandate the WTO members sign the agreement on textile and clothing over a period of ten years, from January 1st 1993 to January 1st 2005.

The agreement on textile on clothing requires the progressive elimination of four stages. Members were required to bring no less than 100% of the product in question into fail conformist with the agreement at which point the product in question into fail conformist with the agreement at which point the textiles sector will be fully integrated into the multi lateral trading system while the first 3 stage of implementation as been completed in the last stage almost half of the process must still take place in just 3 years. African countries particularly members of the international textiles and clothing bureau have criticize the European Union and other developed countries for designing the implementation period, such that most of the liberalization of this key sector is left for the very end.

Effect of the Agreement on Textile and Clothing on Africa

All across Africa Textile producer and exporters are reeling from the impact of new trade rule that took effect in January 1st 2005. The rules of negotiation WTO open up to market force a sector that had been protected for more than 30 years, it did so by ending a quota system in industrial nation which as a side effect had provided a readymade market for textile and apparel from poor African countries. The facing out of the old GATT system has cost African more themselves squeezing out of the market by unfettered competition, with giant highly efficient production in the countries such as chain and Indian, however textile exporting African countries have been disappointed and frustrated that five years after the phase out period began, they have not seen any benefits. This is due to the “unloading” of the implementation of developed countries commitment will take place only in the final years and the benefit will accrue only at the end of the ten years phase out period. Although some Africa countries have legally complied with the agreement by phasing out quotas proportionally in fact they have chosen to liberalize on production that are listed but which they have not benefited, they have made proposals several time such as the recent meetings of the Africa branch of the international textile garment and leather worker federation cape town, South Africa, that the developed countries implore the quality of their implementation of the agreement and clothing.

Also at Doha (2001) the Nigerian delegates position, indicates the inability to engage in negotiation of Tariffs reduction in clothing and textile this is due to several reason much as negative consequences as a result of the various liberalization measures undertaken under the Uruguay round negotiation and form autonomous liberalization within the structural adjustment programs of the international monetary fund, consequently capacity utilization has fallen considerably and despite government ban on the importation of textile, most textile industries have close down and those that are in production re not expanding production and over 30,000 workers has cost their the reservation of the Nigerian delegation respect to the liberalization of this sector was expressed in the request that the WTO conduct a study on the implication of the existing liberation measures on industrial production and the developmental concerns of African

Origin of Trade Liberalization

Before the appearance of trade liberalization, the policy of mercantilism had developed in Europe in the 16th century. Two early British economists who were opposed to mercantilism were Adam Smith and David Ricardo. Economists that advocated for trade believed trade was then reason why certain civilization prospered economically. Trade liberalization occurred as a result of the American Revolution against British mercantile system, the first is secretary of treasury Alexander Hamilton, advocates tariffs to help protect infant industries.

Benefits of Trade Liberalization to African

There has been a significant increase in trade liberalization to African countries through improved resource allocation within and across industries static gains and through technical change, learning and growth leading to improved productively growth. Trade liberalization is one of the determinants of Economic growth in African. Growth requires increased productive and these are some of its benefits to African Economic Development: More specialization; More use of comparative advantage; Better access to technology and knowledge; Better and cheaper intermediate goods and capital goods; Benefits of scales; and, Increased competition.

Negative Impacts of Trade Liberalization on Africa Economic Development

Trade rules and as a result African countries average income is lower today than 20 years ago.

Trade and Goods: African states faces higher tariffs on processed goods than on commodities, this is one of the reasons that the poorest African countries are heavily dependent on a few commodities e.g. Burundi where 98% of the exports are coffee tea and cotton; A trade dominated by basic commodities means that these countries do not develop these infrastructural technologies, including education and training therefore the African populace remain essentially in the services of more complex industries in the first world which favours worlds development but not of African

Unfair Trade Barriers: Trade liberalization in African has caused a wide disparity between the first world and Africa, the first world have raised trade barriers protecting the companies even insisting that Africa should lower their trade barriers more and more, and this incur problem to Africa, when these tariffs are reduced or eliminated these countries will have to impose large increase in other taxes in order to keep their budget in line. From the above indications, it can be clearly seen that there is no clear link between trade liberalization and Economic growth in Africa, these mean in recent years new trade agreement have often been promoted on the basis of recent years new trade agreement have often been promoted on the basis of their potential benefit to Africa potential leaders, international financial institution and even advocacy group have argued that rich countries such as the united states has an obligation to expand trade in order to help Africa grew and develop.

Poverty: The removal of all rich counties barriers to the merchandise exports of Africa countries, including agriculture, textile and other manufactured goods would result in very little additional income for the exporting countries. The united nation estimates that African countries lose about 2 billion us dollars per day because of trade. Liberalization, some of the widely used economic model shows that many Africa countries will actually lose from trade liberalization in all important sectors such as agriculture and textile. Some widely loosed models shows that many African States will loose from trade liberalization in all important sector such as agricultural and textile and it only results to endemic poverty, as one UNICEF study commented a new face of apartheid is spreading across the globe as millions of people live in wretched conditions side by side with those who enjoy unprecedented prosperity.

1. Inequality: The riches fifth have 80% of the worlds income and the poorest fifth have 1%, this gap has doubled between 1960 and 2000 (UN human Development Report 1999) – it can be seen is the first world the gap between upper executives and workers salaries are never being bigger than, it is in fact many times bigger than it was twenty years ago. Trade liberalization is negatively correlated within come growth among higher income group, in other words it helps the 1st world great richer and Africa poorer. The united Nations estimates that African countries lose about too million us dollars per day just because of unfair that the projected benefits are merely hypothetical the hypothesis is entirely misleading and is in fact false that trade liberalization adversely affect Africa's economic positively.

The period 1960 to 1980 saw greater improvements and growths in Africa than the period from 1980 to 2000, yet 1960 to 1980 saw greater improvement and growth in Africa than the period from 1980 to 2000, ye 1960 – 1980 was the height of the Keynesian economics because of its trade agreement by WTO therefore trade liberalization is not the key to rapid growth and development in Africa. Although free trade has benefits there are a number of arguments put forward by protestors who oppose free trade liberalization. These include with the removal of trade barriers, structural unemployment may occur in the short term. This can impact upon large numbers of workers, the families and local economics often it can be difficult for these workers to find employment in growth industries and government assistance is necessary.

Increased domestic economic instability form international trade cycles as economics become dependent on global markets: This means that businesses, employees and consumers are more vulnerable to downturns in the economics of our trading partners e.g. Recession in the USA leads to decreased demand for Australian exports leading to falling export incomes, lower GDP, lower incomes, lower domestic demand and rising unemployment.

International markets are not a level playing field as countries with surplus products may dump them on world markets are below cost. Some efficient industries may find it difficult to complete for long period under such conditions. Further countries whose economics are largely agricultural face unfavorable terms of trade whereby their export income in such smaller for high value added imports leading to large Cads and subsequently large foreign debt levels.

Developing or new industries may find it difficult to become established in a competitive environment with no short-term protection policies by government, according to the infant industries agreement or infant economies. Free trade can lead to pollution and other environment problem as companies fail to include this cost in the price of goods in trying to complete with companies operating under weaker environmental legislation in some countries.

Pressure to increase protection during the G8. During the global financial crisis and recession of 2008-2009 the impact of falling employment meant that protection pressure started to rise in many countries. In New South Wales, for example, the state government was criticized for purchasing imported uniforms for polices and fire fighter at cheaper prices rather than purchasing Australian made uniform from Australian companies. Similar pressures were faced by government in the United State, Britain, and other European countries. The challenges of trade liberalization can still be explained through trade and security.

First, is to argue that it is unimportant that country to be able to grow all that a country needs all that is to be able to growth the food its needs i.e. to export goods, to and to earn enough money to pay for food imports that has been defined as self reliance. Others argue that counties should be self sufficient so that they meet the food needs fully for domestic production. This may imply supporting if not protecting farmers, not all countries can expect of be self sufficient in food. Some countries may even be able to be self reliant, if they have very limited export opportunities and high food needs relative to local production. Thus government should not begin by choosing a strategy of self sufficiency or self reliance.

Many developing countries start with a bias against agriculture, so agriculture, so agriculture sector reform complemented by trade reform will be necessary. Trade reforms has mixed benefits import liberalization measures that favour exporters are generally beneficial but from the favour exporter self sufficiency perspective a problem arises if farmers substitute from food to cash crops.

Assuming the appropriate reforms have been implemented so that polices are not biased against agriculture. Countries could find themselves in a number of situations. Four cases are presented.

1. Some countries with efficient agricultural producers will be net food exporters. Food security will not been an issue but they will be concerned with open access foreign market.
2. Some countries will be naturally self sufficient prevailing domestic prices which should be equivalent to the true world prices domestic producers are capable of meeting local food needs at least in normal years. In good years they could export food, or stock food as insurance against bad years.
3. Some countries will not be self sufficient, but will have export earnings that allow them to meet food import needs. i.e. they are self reliant. They may be exposed to risk if they are export dependent on primary commodities. Some countries will be naturally food insecure strictly speaking it is only in respect of such countries that the issue of an active food import.

   In food security is whether imports are at true world prices or are in fact subsidized. Although it is a benefit to net food importers, it represents a clear disadvantage to developing countries that are aiming for self sufficiency they cannot afford and in many cases are discouraged by the World Bank and if they permit import tariff free this amount to unfair competition among domestic producers. In cases where subsidized imports compete with local production, it could be appropriate to levy a tariff equivalent to the subsidy. In fact the distortion in world price is, in many cases, substantially due to massive transfers to agriculture and very high import tariffs in many developed countries. The combination of which has a much distortional effect on world prices than export subsidies.

Conclusion

WTO rules and obligation are imbalanced and inequality, it generates serious problem to trade liberalization in Africa, some of these problems are poverty, inequality and marginalization in world trade etc. though there are some positive impacts of trade liberalization on Africa such as foreign direct investment, better access to technology etc but the negative impacts of trade liberalization are immense.

Recommendation

In other to widen policy option for trade liberalization in Africa, African countries should organize themselves to strive for a more democratic global system to increase Africa.

Secondly those area where Africa countries face problem in implementing there obligation poised by WTO, a systematic exercise should be reviewed and amend the existing rules.

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