

Globalisation and Development: The Implications for the African Economy

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Abstract: Globalisation has become the latest buzzword, used in any and every context. In international discourses both official and non-official in the context of the 'interdependence' of economies and nations. The word 'globalisation' has evolved over time, but it has assumed more prominence since the end of the cold war and rapid liberation of emerging economies. Since the whole process is about development and transformation the process of globalization has become the necessary consequence of the economic development, which is the pursuit of most modern market economies leading to interconnectedness of most economies. It is against this backdrop that the African economy cannot afford to be dormant since a nation with a closed economy with few relations with the rest of the world is no longer desirable or practicable. It is however necessary that the African economy must adopt the needed measures to maximize the enormous benefits from its involvement in the globalisation process while trying to wade off its adverse consequences. This paper is therefore centered on the concepts of globalisation and development; the relationship (or linkage) between the two terms and the implications and suggested solutions for African (Economic) development and growth. It is against this backdrop that this work portrays realities of the underdeveloped nature of African economy and the subsequent loss incurring in the inevitable ongoing process of globalisation towards world or global development. Valuable suggestions are projected for a way out to ensure a sustainable (economic) development of African States.

Key words: Globalization % Africa % Development

INTRODUCTION

Globalisation has become a commonly used word world-wide. It is no longer a new concept or phenomenon in the academic and business world as social scientists, journalists, business analysts, management theorists, writers and commentators generally have at various times used and will continue to use the word in particular contexts for declared and undeclared purposes, with more or less effectiveness in their attempt to explain or interpret issues in this changing and complex world (Akinlo, 1998). The concept has found expression today in all the world's major languages. An "Idea which encompasses everything from global financial markets to the Internet" Globalisation has indeed become, "the cliché of our times" [1].

rejects a widespread perception that the world is rapidly being moulded into a shared social space by economic and technological forces and that developments in one region of the world can have profound consequence for the life chances of individuals or communities on the other side of the globe [2]

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Globalisation has opened up new and extensive opportunities for worldwide development. However, this is not “progressing evenly” as some countries are becoming integrated into the global economy more rapidly than others with the evidence of fast growth and reduced poverty.

Thinking about the unification and re-shaping of the world into a global village and the description of the dynamics of political and economic relations within it constitute the essence and the development of the new phenomenon-globalization. For instance, this incidentally informed the outward - oriented policies which eventually brought about the dynamism and greater prosperity to much of East Asia, transforming it from one of the poorest regions of the world 40 years ago to a progressive region - economically and politically.

Contrary to the above view, for instance, Latin America and Africa in 1970s and 1980s pursued inward oriented policies, which incidentally resulted into economic stagnation or deteriorating socio-economic conditions. Poverty and high inflation became the feature in many cases especially in Africa as adverse external developments made the problems worse.

Development, however, though a multi-dimensional concept has to do with a rate of change in a particular direction “change in technology, social, economic and political aspect of life resulting in happy human life’ [3]. It is related closely to the concept of globalisation. Development as a concept has attracted many definitions and interpretations among scholars and writers; nonetheless, it addresses the process of transforming a society positively. It is therefore pertinent to view “globalization and development as the two broad concepts for transformation. The question that may be asked should then be which of the two concepts leads practically to the other? - Or are they complementary concepts for whatever progress in any society?

These questions are premised on the increasing debate among scholars who view globalization as having the capacity for increased opportunities for growth and development. The above assertion is informed by the fact that globalization may not be that imperative particularly in the 21st century if some international economies (societies) are not developed. In other words, development may not be visible (particularly in Africa) if as argued, the principle or notion of globalization is not embraced. Which one comes first is another area of the process of transformation that is still contestable. For instance, shortly after independence, the USA adopted the principle of isolationism to fashion out the plans for development - this they did without any serious and meaningful interaction with the rest of the world not until towards the end of the World War II. Moreover, this formed the basis for the questionable thesis, which the development of the US is built whereas when Africa pursued inward-oriented policies for development the reverse is the case. This issue may not entirely be the main thrust of this paper, but to present a linkage between globalisation and African economic development and the implications of globalisation on the economy of African States; how Africa can benefit from globalisation etc. are issues to be discussed and covered in the paper.

This paper beside this introductory section is divided into five segments. The first segment focuses on the definition and clarification of the concepts of Globalisation and Development; The second segment centres on the nature of African economy, while the third section discusses the possible implication and effects of globalisation on African economy and development; The fourth part presents a way out by which Africa or developing countries of the world find their bearing in the globalisation drive, while the fifth part gives the conclusion.

GLOBALISATION AND DEVELOPMENT: SOME CONCEPTUAL ANALYSIS

Globalisation means different things to different people and thus it has been used in several ways in the literature. It is a process of integrating not only the economy of nations but also their culture, technology and governance. Generally, it may be referred to as:

the widening, deepening and speeding up of world-wide interconnectedness in all aspects of contemporary social life, from the cultural to the criminal, the financial to the Spiritual [4]. (Source) See David Held, et al op. ct)

This, in essence illustrates the way in which contemporary globalization connects communities in one region of the world to development in another continent.

The whole idea of globalization therefore revolves around other new realities and terminologies as Information Technology, Deregulation, Trade liberalisation, Economic competition or free enterprises and an emergent political structure/system that is people oriented etc.

More explicitly, perhaps, “it refers to a process of increasing economic openness, growing economic interdependence and deepening economic integration between countries of the world. It is associated not only a phenomenal spread and volume of cross-border economic transactions, but also with an organization of economic activities which straddles national boundaries [5]. In other words, it refers to the increasing integration of economies particularly through trade and financial flows around the world.

The term also refers to the ‘movement of people i.e. labour, knowledge and technology across international borders’. There are also cultural, political and environmental dimensions of globalisation that are not discussed here.

The breakdown of boundaries as barriers to economic exploitation that globalisation represents means that every country of this world, rich/developed or poor/developing would have access to every other country. That is, the developing nations would have access to the markets of the developed countries, unrestricted: and vice-versa. “It will be a borderless world” [6]. This again, has raised so many questions and increasing debate on the subject of the power of the state and the continuous relevance of the principles of sovereignty, independence and the understanding of international relations - the debate, which is also not the focus of their paper.

Meanwhile, the word ‘globalisation’, which has been used in many ways - has actually formed the source of confusion and controversy embedded in the understanding of or the problem of having the full grasp of what the term (and any other post cold war words) suggests. While some perceive globalisation as a process of increasing integration into the world economy as positive (salvation), others see it as negative (damnation) in terms of unequal pattern of development.

However, beyond the general understanding and conception of a perceived intensification of global interconnectedness, there is a substantial disagreement about its causal dynamics and how its characteristics should and structural consequences can be explained.

Following from the above, there are three distinguished broad schools of thought, which shall be considered for the purpose of clarity and better understanding. These include the hyper globalizers, the sceptics and the transformationalists as presented by David Held and others.

For the hyper globalizers such as scholars as Olimae, globalisation is seen as a new period in which people everywhere are increasingly subject of the disciplines of the global marketplace i.e. an era of human history in which ‘traditional nation states have become unnatural, even impossible business units in a global economy’ This therefore presents an economic logic with the emergence of a single global market and the principle of global competition as the harbingers of human progress [7].

By contrast, the sceptics, such as Hirst and Thompson, canvass that “globalisation is essentially a myth which conceals the reality of an international economy increasingly segmented into three major regional trading blocs (Europe, Asia-Pacific and North America) in which national governments remain very powerful’. The arguments of the sceptics are based entirely on the economic conception of globalisation, equating it with what a perfectly integrated global market connote. To this extent -the contemporary meaning of globalisation is wholly exaggerated. The sceptics therefore consider the hyperglobalists thesis as political naive since it underestimates the enduring power of national governments to regulate international economic authority. Also that, “the forces of internationalisation themselves depend on the regulating power of national governments to ensure continuing economic liberalisation” [8].

Finally, for the transformationalists among which are Roseanne and Giddiness, “globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order’ According to their views, “contemporary patterns of globalisation are conceived as historically unprecedented such that the governments (states) and societies across the globe are having to adjust to a world in which there is no longer a clear distinction between

international and domestic, external and internal affairs”. It is also true that globalisation is seen here as a “powerful transformative force which is responsible for a ‘massive shake-out’ of societies, economies, institutions of governance and world order”. The transformationlists however account that the direction of the ‘shake-out’ remains highly uncertain [9].

In the final analysis, whereas the world is becoming more interdependent, as the hyperglobalizers assume, the sceptics seek to expose the myths which sustain the globalisation thesis and the transformationlists make no claims about the future trajectory of globalisation hence with the inscribed contradictions in the understanding of globalisation is significantly making the interconnectedness of the globe highly uncertain.

Interestingly, there are some principal areas of contentions in the globalisation debate among existing and different schools. These areas include:

- (i) Conceptualization (ii) Causation (iii) Periodization (iv) Rejections [10]

At the level of conceptualisation; both the sceptics and hyperglobalizers see globalisation as “prefiguring a singular or end-state; that is, fully integrated global market with price and interest rate equalisation” Hence the contemporary patterns of economic globalisation are assessed here though with various forms of ‘imperfections’ Another flaw of the sceptics and hyperglobalizers is that “there is no logical or empirical reason to assume that globalisation is any more than industrialisation or democratisation has one fixed end condition” [11]. For instance, “the fact that more people in the world speak Chinese than English as a first language does not necessarily confirm the thesis that Chinese is a global language”. It is within this view that the socio-historical approaches to the study of globalisation regard it as a process which has no single fixed or determined historical destination whether in terms of a perfectly integrated global market, a global society or a global civilisation”. The study of phenomenon should not therefore be studied in relation to a single direction or condition i.e. perfect global markets [12]. Incidentally, according to the transformationlists, globalisation is conceived “in terms of a more contingent and open-ended historical process which does not fit with orthodox linear models of social change” [13]. To this end, “globalisation is seen as a highly differentiated process, which finds expression in all the key domains of social activity the political, the military, the legal, the ecological, the criminal, etc.” [14].

At the level of causation therefore, this has to do with the question of what is driving the process of globalisation In providing answers to this question, several views and debates emerge, each trying to provide distinct explanation as to what caused the process and the development of the phenomenon. To some (including sceptics and hyperglobalizers) they identify a single or primary imperative, such as capitalism or technological change while others (including the transformationlists) explain globalisation as the products of a combination of factors, including technological change, market/ forces, ideology and political decisions. The distinction and explanation is therefore seen effectively between mono-causal and multi-causal accounts of globalisation.

However, the controversial view about the underlying causes of globalisation is connected to a wider debate about modernity [15]. On the issue of modernity therefore, while some understood the causes of globalisation simply as a function of global diffusion of Western modernity (Westernisation), others draw a distinction between Westernisation and globalisation and concluded that globalisation is not synonymous with Westernisation. Hence no explanation about the causes of globalisation has been able to avoid confrontation/criticism.

On the issue of periodization - For proper understanding of the term globalisation and to really appreciate the inherent contradictions or debate in the study of the phenomenon, it is argued that the world ‘globalisation’ necessarily relies on some kind of historical narratives which have significant implication on the kind of conclusion that are reached. For instance while transformationlists and some others, are of the view that globalisation is a process which has an unprecedented historical development whereby states and societies across the globe are now experiencing a process or stage of profound change and that ‘rigorous’ attempts are made to adopt to the whole process. Others accepted the view that globalisation is primarily a phenomenon of the modern age.

On the issue of trajectory in the globalisation debate, there exists a particular conception among the three contending schools, of the dynamics and directions of global change which presents a distinctive account of globalisation as a historical process. The hyperglobalizers see globalisation as “a secular process of global integration” which is often associated with the linear view of historical changes and relatively smooth in unfolding of human progress, while the sceptics subscribe to the view of globalisation which manifests its distinct phases and recurrent characteristics most especially in relation to the supposedly ‘golden age’ of global interdependence [16]. However, the transformationalists tend to conceive history as “a process punctuated by dramatic upheavals and discontinuities”. This emphasises how historical change arises out of the influence of particular condition and social forces. This therefore tempted the transformationalists to describe the whole process “as contingent and contradictory which pulls and pushes societies in opposing directions; it fragments and integrates; engenders co-operations as well as conflict... Hence the trajectory of global change is largely indeterminate and uncertain” [17]. It is within this contradiction that attempt to construct an analytical framework which must, move the globalisation debate beyond its present intellectual limit be made.

The contention and the continuous debate of globalisation notwithstanding, globalisation offers extensive opportunities for truly world-wide developments (though this may not be progressing evenly).

CONCEPTUALISING DEVELOPMENT

Development has been conceived generally as a value word used to describe the process of economic, social and political transformation, concepts about how to realise development have seen as progressive shift over the pass five decades [18].

It has therefore been observed that so many debate and perhaps controversial interpretations have evolved in the process of providing acceptable definitions of the term. Development explains the act of developing or process of being developed; it connotes “an increase, propagation, expansion, improvement or change for the better” [19]. This places emphases on the discontinuous and spontaneous change in stationary state, which for ever alters and displaces equilibrium state previously existing [20]. Because of the emphasis on change, development has often been perceived synonymous with growth, economic growth “with emphasis on increases in labour productivity and in total output, with technological progress and industrialization” [21]. Emphasis here is not only placed on economic growth through increase in labour productivity or capital accumulation but also on the condition in which “people in a country have adequate food and job and the income inequality among them is greatly reduced” [22]. In other words, emphasis is placed “on the service of the well-being of people by concentrating on indices of standards of living such as poverty, income distribution, life expectancy, infant mortality, nutrition, literacy, education and access to social services and amenities” [23]. In the final analysis development is defined as a process of economic and social advancement which enables people to realise their potential, build self-confidence and lead lives of dignity and fulfilment, it is a process aimed at freeing people from the evils of want, ignorance, social injustice and economic exploitation [24].

Seers (1977) go further to identify certain requirements that are pertinent in the process of understanding what development is all about. These, he presents to include adequate educational level (literary) participation in government and belonging to a nation that is truly independent both economically and politically in that the views of the other government do not largely predetermine one’s own government decision [25].

Whatever way we may have looked at development, it is necessary to state that development whether in terms of the economy, politics or social, implies both improve and increase output and changes in the technical and institutional arrangement by which it is produced [26]. Development is essentially used in an exclusive economic sense, this is basically because economy is in itself an index of other social features [27]. Hence development is used as a synonymy for economic development. To this end, therefore all societies have experienced development at some points but the level of development differ from continent to continent and within each continent different pads/units increase their command over nature at different rates [28].

It is however pertinent to perceive that development is a multi-dimensional concept and that in spite of the various views, the term is referred to as a process of change in relation to the social, economic, political and cultural spheres of societal life which is purposefully directed towards making life better for all citizens of a social and political community.

Considering economic development therefore, it is clearly and widely perceived by many scholars to describe wide-ranging and often times dramatic changes (improvements) in the economic state of a country. As said above it is an index of other social features of any society. According to Gallner (1970), economic development is defined as a radical transformation in the basic institutions of a country and the basic attitudes of its population. It thus refers to the process by which a state reaches the stage of growth when and where it can provide [for its own growth without depending on other states for the transfer of resources for its growth [29].

Economic development involves proper and adequate utilization of a nation's resources in order to; efficiently increase the productivity for the betterment of the people, with the use of application of modern technology and science, which involves mass education, reasonable political order, efficient management of human and material resources etc. [30].

But within the realm of world economic developments (globalisation) Levitt (1985:66) used the expression to "characterize the vast changes that have taken place over the past two decades in the international economy - the rapid and pervasive diffusion around the world of production, consumption and investment of good, services, capital and technology" [31].

The state of the world economic development has so much grown to the extent of acquiring a wide variety of uses. "The emergence of a new asymmetric international division of labour along with greater dispersion of economic activities directed by corporate strategic planning that has replaced governmental or state efforts in various countries. It is also used in terms of the erosion of the Post-war US dominance of the world economy by the rising competitiveness of Western Europe and Japan and the rise of regional spheres of influence" [32].

There is also increasing moving away from the command economy particularly within the context of the collapse of centrally planned economies towards market economy, hence experiencing a worldwide spread of capitalism.

Unfortunately, Nigeria and indeed Africa lack the economic credentials required for stimulating meaningful economic competition of a globalised economy. As a matter of fact, it is historically and generally observed that economic development i.e. wealth accumulation and prosperity of any nation-state in the world has significant relationship with the level of industrialisation within the state, such that the scientific and technological skills of the people are highly mobilised and directed to provide the necessary panacea to solving local problems and effectively exporting the excesses [33]. To this extent, Anya again sees globalisation as "the latest stage in the development of the economic system of the industrialized nations in the post industrial phase of their development [34].

It would therefore perhaps be unfavourable and disadvantageous to introduce African economies to a new and challenging economic relation of the globalised world system since it has not grown or develop in relation to what Walt W. Rostow (1962) [35] identifies as or in "The stages of economic growth" which appears the most celebrated Theory of Modernisation from the economic development point of view, based on five stages. The first stage is 'traditional; the second is the 'pre-conditions for take-off the third is 'take-off stage; while the fourth stage is the 'drive to maturity' and the fifth is the 'age of mass consumption', leading sectors of the economy shift into the manufacture of consumer durable and the provision of services. Even though as argued, that the experience of the Western industrialised world was drawn on heavily for models and concepts to be applied to the new Third World nations, the fact remains that, the basic problem of taking off in Africa and other developing countries is internal to the economies concerned. The received wisdom from the discussion on world development and globalisation become very clear in that the new forces of globalisation, liberalisation and technology are transforming this world and are virtually all encompassing and unstoppable in their effects. A developing (African) economies (society) cannot adequately take advantage of a globalising world economy unless certain and prior conditions are fulfilled, i.e. an educated citizenry with the requisite skills, a framework of physical infrastructure such as energy, water, transport and communications; a network of export based industrial production [36]. While in addition to the pre conditions stated by Anya O. Anya, Prof. Dotun Philips (1999) presented an observable world-wide

check-list of pre conditions which include good and democratic governance, efficient bureaucracy; adequate and functioning infrastructures; stable market-oriented macro economic policies; open and growing economy; adequate satisfaction of the people's basic needs, virile export strategy; large and growing multinational companies; etc. [37].

Thus, "Africa is not at present in a position to take full advantage of the beneficent features of globalisation because the necessary conditions for its benign operations do not presently exist [38].

However, situation persist particularly in African that the interaction between globalisation and development is a highly complex issue and very difficult to clarify. This difficulty, according to Takahashi Kazuo (1998) "results from the multifarious nature of globalisation and from the fragility of understanding/discussing the concepts of development itself" [39]. It would have generally been argued agreed on if the idea that the major force of restructuring international society is through globalisation. The resultant impacts of globalisation on the developing (African) countries therefore, would have been imperative. For instance, the evolution of the global market economy has the effect of integrating an increasing number of developing countries. Nevertheless, at the same time, it also excludes or marginalises particularly developing nations that lack the minimum prerequisite for development. In the sense that trade and investment activities will be shifted or moved to more efficient countries, which makes many low income countries even poorer still. However, disconnection from markets globalism would at the same time is unrealistic solution, or if alternative, a country is to pursue economic development. The links between globalisation and development are therefore complex, involving classic and contemporary issues of political economy, political science and social development.

THE NATURE OF AFRICAN ECONOMY

The developing nations of the world are obviously more than the developed. Most of them were at one or some point colonised by the imperial developed powers of the wealthy West.

It was the colonial powers who delineated the colonial territories and created 'well-defined states' disregarding completely their loyalties and tribal claims. The boundaries were arbitrarily (straight lines) drawn on papers neglecting their loyalties and allegiance to local lures or rights. Incidentally, the independent states, which emerged from these delineations, were peopled by mixtures of tribes and races with no common culture, history or origins. "That these tribes and races never really accepted the dividing lines and boundaries was considered irrelevant". It rather "suited the tidy minds of the imperialists to divide and separate them and to regard them as different entities and administrative units and so they must accept the boundaries as *fait accompli*" [40].

The independent nations, which emerged during decolonialisation that took place in the post 1945 period, were very artificial. "The artificial peace and harmony of the colonial territories were taken as real, but deep under the old animosities and enmities burnt" [41]. Hence, the multifarious problems of tribal and racial divisions, lack of experience etc in Government and understanding of democracy are many factors threatening the survival of these newly independent states. In addition, it is a miracle according to Dr. Mohathir Mohamad (1996) that "some are able to manage civil strife and avoid abide break-ups, though none have been able to resolve their problems [42].

Be it as it may, after about three decades of political independence and economic planning. African economies are still heavily dependent, on the economies of the industrialized countries. Moreover, as such, the main characteristics and structure of their economies still bear a very close resemblance to what prevailed in the preceding colonial period. "African economies are increasingly geared to the export production of a very limited range of commodities and the importation of a wide range of consumer goods" [43]. This therefore described African economy as consuming economy and not manufacturing which is the most profitable areas of production and ravel African economy was designed to produce and supply raw materials for the world market (prices of which are not stable) and to consume and demand for imported consumer goods (prices of which Africa has no control). Adding to this unfortunate situation is the condition and performance of Agricultural growth, which is seen to be very weak. Its earnings from exports, its terms of trade and its capacity to import have declined precipitously particularly in the 1980s pulling down the region income per capita.

According to the World Bank, real per capita GDP fell by about 25 per cent between 1980 and 1988 and if taken into consideration the deterioration in the terms of trade suffered by Africa over the period 1980-1988, per capita incomes may have declined by about 30 per cent [44].

Compounding these conditions is the enormous debt build up. According to the report of the survey of Economic and Social conditions in Africa, (1977-78), the total outstanding external debt of African Countries rose from \$9.02 billion in 1970 to \$18.88 billion in 1974 and \$30.02 billion in 1976, while the total debt services rose to \$0.89 billion in 1970, \$2.43 billion in 1974 and \$3.03 billion in 1976. "As the volume of external debt increased substantially, the burden of servicing external debt took an increasing share of earnings from the export of goods and services. By 1976, public debt service payments as a proportion of exports "exceeded 10 per cent in Algeria, Egypt, Guinea, Zaria, Mauritania, Sierra-Leone and Sudan and reaches nearly 10 per cent in Ivory-Coast and Zambia" [45]. Instead of diminishing, the African debt problem of huge and unbearable external debts. The debt crisis which reached an all-time high in the late 80's has since not been abated. It is only a matter of time according to Augustine Ilenre, before the continent is totally submerged under the weight of her \$300 billion debt [46]. In 1982, Africa's external debt was put as \$87.6 billion. However, by 1992, the debt had grown by as much as 300 per cent to \$267.5 billion with annual interest repayments as high as \$27 billion. In addition, the debt service ratio (debt to export earnings) rose sharply from 10.7 per cent in 1980 to 50 per cent in 1987 [47]. Debt services increased from \$8.5 billion in 1980 to \$14 billion at the end of 1992. The rate at which the percentage in increasing is very high for developing nation because of its negative consequence on economic growth and development.

According to Adebayo Adedeji, the situation above gives out Africa as the most heavily indebted region in the world. Adebayo's view was further confirmed when in 1987; the World Bank classified 30 African nations as low-income countries with per capita income of less than \$500. Thirty two (32) of them were declared ineligible to use International Monetary Fund (IMF) facilities because of their heavy overdue financial obligation, while three (3) were totally declared among the most heavily indebted nations in the world. The situation in the 90's is far worse.

With the high rate of debt service ratio of total export earning, there is little left for meaningful development particularly in the health and educational sectors, which remain stagnated. Consequently, instead of growth and development there is a sharp fall in the living standard, with a high level of unemployment. The debt crisis according to Augustine Ilenre (1996) has brought stark poverty in the citizenry even as the various countries try to; structurally adjust their economies as demanded of them by their creditors [48].

However, the persistent underdeveloped nature of African economy (society) as summarily presented by Oluremi Oyeyemi (1988) using Frantz Fanon's analysis of colonial rule and his focus on class political behaviour shows the "inability of the African leaders and policy makers to mentally extricate themselves and practically depart from an international social, cultural, political and most especially economic order created by colonising, nurtured by imperialism and being sustained by neo-colonialism" [49].

Frantz Fanon's analysis of colonial rule pointed to its non-progressive nature and the weak material base inherited by the African leaders, which was further weakened by the legacies of mono-cultural economic structure from the colonialists. This is therefore placing dire consequences on African's economy and its subsequent industrialisation.

Hence, it is suggested that countries and region of the world that are unable to integrate themselves into the global economy might not benefit from the growth enhancing features of globalisation. The picture of African development make it difficult for African countries to be strongly integrated into the global economy as observed by Ademola Oyejide (1996) that the dwindling shares in African particularly in 1990 than they were in 1960 as a result of the decline in African trade ratio which was also accompanied by extremely low ratios of foreign direct investment to GDP led virtual to the exclusion of African countries from the global financial markets. "This reality of the African experience may suggest that both inadequate integration into the world economy and consequent lack of growth have led to the region's marginalisation in the world goods and capital markets". Fifty (50) African countries are being marginalised due to their poor economic performance and low level of development (mainly exporters of commodities). Adebayo Adedeji (1989) said, "The widespread low levels of productivity of African economies are the fundamental causes of continued underdevelopment

and persistent economic crisis. African countries may therefore not be able to attain the stage of self reliant and self sustained development ... that will enable them to take their place as effective partners in the international system”, particular now that the African countries are faced with globalisation, a single world in which they know they will have little say, their voice drown and their interest ignored in the pursuit of global interests and objectives [51].

IMPLICATION OF GLOBALIZATION ON AFRICAN ECONOMY AND DEVELOPMENT

From the above analysis, Globalisation “entails the increasing international integration of markets for goods, services and capital bringing about noticeable changes to the face of the world economy which has frequently been described as gravitating towards a global village” (Mike Obadan, 1999) argued further that “these changes are observable in the magnitude and structure of trade in goods and services, capital movements, gains in productivity and efficiency that are driving growth and creating jobs in industrial countries and opening the door to export led industrialization in middle income countries” [52]. This assertion is also in line with the presentation of Peter D. Sutherland while discussing in the IMF 1998 Pa Jacobson lecture that “the qualitatively new world economy that has emerged under globalization is characterised by an extra-ordinary volume and pace of international capital flows and a structure in which the production and marketing of goods and services are integrated across national borders” [53]. The process of globalisation is therefore playing a more and more crucial role in the determination of the efforts of trade and other external economic relations and national development strategies. To this end, globalisation has become even more intense, with economic competition between companies and countries providing even more of an impulse to international relations and to domestic politics.

Due to inequities in power; capacity and resources; in the trading and economic relationships; in the distribution of gains and losses and inequalities in global economic structure, the South is transferring several hundreds of billions dollars of economic resources to the North annually in terms of trade losses, debt servicing, profit outflows, etc. “This drain is a major cause of lack of resources in the South, profoundly affecting the ability to meet basic needs” for effective participation at the world market for international development towards making the world indeed a global village [54].

According to Martin Khor, (1996) “Most third world countries are still economically dependent on Northern countries, their Trans National Corporation (TNCs) and institutions. Each form dependence is associated with specific mechanisms whereby the Southern countries have substantial funds and economics resources transferred abroad. The South-to-North out flow of resources far outweighs the North-to-South ‘aid’ (a large part of which consist of loans that have to be repaid anyway). The world economic situation and globalisation have been described as inequitable and inimical to African and the Third world countries in general. According to Peter Stalker (2000), various processes of globalisation were “unequal and against the interest of developing countries in almost every respect” [55].

The three assumptions about globalization identified by Amorim (1997) need perhaps to be dispelled. Firstly, there is the myth that globalization is homogenous and would benefit everyone. In fact, the heterogeneity and inequality of all countries are increasing particularly when comparing the trade ratio and gains of globalisation between the North and the South [56].

Secondly, the myth that with globalisation, the state can be dispensed with, as argued by Amorim, it has not proved to be attractive in areas such as environment and education. However, “the state has a role to play at least to ensure the right integration of the market via trade policy.

The third myth is that unrestricted financial flows bring freer trade and prosperity. Amorim further argued that the reality is different, as clearly shown by the Mexico crisis, “complete freedom of capital he said, can cause volatility and this in turn, can lead to more protectionism” [57].

Globalisation and other post cold War concepts are the over-riding process in the world today with the evidence of uneven global development, “significant growth in a relatively few continues and marginalisation of many poorer (African) countries. Again the aim, the uneven or unequal level to winner-takes-all situations thus widening the gap between those able to reap the gains of globalisation and those who are left behind.

Following from the above, one of the UN report (2000) states that increasing globalisation of the world economy is a threat to its poorer (African) countries. In other words, the poorer countries are in danger of further falling behind more development competitors in an increasingly globalised economy. The UN report established the “increasing marginalisation” of the LDCs, which accounted for 13 per cent of the world’s population as at 1997 but which just had a 0.4 per cent share of global exports and 0.6 per cent of the import. The figures show a 40 per cent fall from 1980 levels. And this fall may continue as the region or LDCs are faced with additional difficulties and serious competition under the new global trading environment. The efforts of the World Trade (WTO) at lifting import tariff on merchandise exports of these countries and freer access to global markets has not been able to change the situation. Because of highly concentrated merchandised export structure and foreign debt services, etc, which are the major drains on meagre African resources. Consequently, lack of African representatives at the 1994 Geneva Uruguay Round of the GATT was one of the reasons why the WTO agreements were unfavourable to Africa [58].

Central to the United Nations Secretary General Kofi Annan’s Millennium report is the view that “globalisation is an extraordinary powerful force offering both unique opportunities and challenges for nations and people. He however believes that, globalisation will lead to faster economic growth, higher standards of living, accelerated innovation and diffusion of technology and management skills. He again, noted that, globalisation has “begun to generate a backlash” because the benefits resulting from it remain highly concentrated among a relatively small number of countries and are spread unevenly within them” [59]. He in conclusion expressed the fear that globalisation might have eluded African State.

Another implication is drawn from the main intention of the major countries to open up the national economic space in developing countries by removing their barriers so that the big corporations of the North could have greater and better market access in the South.

The investment agreement sought by the North is such that would prevent government of the South from regulating the entry and operation of foreign companies, thus allowing them total freedom to operate in all sectors in developing countries.

On the other hand, if developing African countries were to open up their economies (exporters, raw materials and lower-technology manufactured products) to all and sundry, the big corporations in the developed countries will overwhelm the small companies in Africa. Firstly because the domestic (small) companies cannot cope with the pressure and vigour of the competition. Secondly, the price of the exports or raw-materials (commodity price) are often fixed by the manufacturing big corporations of the developed countries and the prices at which the higher-technology manufactured products are sold to the developing (African) countries are incidentally determined by the manufacturing developed countries. The prices and power at which they sell and buy are practically the major concern of the developed countries of which the African countries have no direct control.

Again, the huge and big companies for instance will in the long-run push aside the little companies of the developing countries. For example, “The big banks can afford to lose in a small country when they are making profits in their own country or in other developed countries. The local banks cannot afford such losses and will either shut down or be forced to merge and lose their identity. The same thing can happen to telecommunications companies, power companies, construction companies etc.” [60].

In the final analysis, the implications or effects of economic globalisation would be the demise of the African countries while the developed countries will take over everything. Eventually however, globalisation would leave the developing countries “totally exposed and unable to protect themselves” [61]. In addition, if the present trends continue, disparities between industrial and developing nations would move further from inequity and inequality to inhuman [62].

Despite the inequality and the seemingly implication characterising the emergence of globalisation, Africa cannot therefore afford to ignore the globalisation process. According to the former UN secretary, Dr. Boutros-Ghali, African countries are rather urged to prepare the continent for the emerging trend if the continent is to remain relevant in the international system. He said further that, “Globalisation is an irreversible process and it does benefit first of all the industrialised countries. The reason is because the economic activity at the global level lies in the hands of a very small

group of individuals and companies". He concluded that, "African today, more than ever, has no other choice than to mobilise or get marginalised. But at the same time, the international community, has, more than ever, a duty of co-operation and solidarity towards the African continent" [63].

AFRICAN SOLUTIONS AND BENEFIT FROM GLOBALISATION

The wave of globalisation is facilitated by the rate of development and the level of intensified inter dependence, which makes it almost impossible for any nation to isolate itself rather effect to develop (Dalip Swamy, 1995). That all nations might benefit from the interdependence, which is manifested in the increasing economic linkage among countries through trade, financial flow, etc. the full involvement and participation of all states is highly imperative. But from the loss which Africa has experienced and the most awaited risks, how can Africa minimize the risk and maximize the benefits/profits of globalization? [64].

Given the inevitable effect of globalisation particularly on African economies and development, African countries should strive to develop the potentials for active and effective participation in the world economic order, i.e. the world economic integration process [65].

The need for repeated declaration of commitment to African development by African governments through the sincere initiation of a new approach which involve more coherently thought-out principles to guide African development process and to provide a framework for more efficient resources mobilisation. Olusola and Barling, 1987) proposed Mobilisation, which will move the present nature of economic condition of African states from Primary/Consuming economies to a more matured industrial/manufacturing economies, otherwise many of African economies will be moving from one economic crisis to another [66].

Again, there should be universally distribution of economic activities in other words, wide-spread of economic activities should be encouraged i.e., between the rural sector and the urban sector. The smallness of the market discourages investment and this further restricts opportunities for employment, which exacerbates the poorness of the population/continent [67].

Economic growth and development also spring from the accumulation of physical capital (investment), human capital (Labour) and technological advancement. However, "the experience of the countries that have increased output most rapidly shows the importance of creating necessary conditions that are conducive to long-run per capita income growth". In other words, Economic stability, institutional building and structural reform etc. are very important apparatus for long-term financial and technical assistance to finance major investment in physical and social infrastructure in Africa, which are crucial to attracting private investments. "In broad terms, the minimum preconditions for globalisation process to take root and be beneficial to a country include virile Banking system that lubricates the economic process through effective financial inter mediation; high premium on enthronement of knowledge, performance and merits; liberal system, openness and democratic practices, virile private sector, motivated by moderate profits; vigilant citizenry that keeps the government on its toes and a growing economy' [68]. To this end, there is the adequate need for the provision of appropriate incentives to increase the output and productivity of the real sector of the economy to enable the economy face the challenges of globalisation. "Apart from fiscal measure/ incentives, the supply of infrastructure such as good roads, energy and water are necessary conditions, for attracting foreign investors and reduce of production cost" [69].

In order to effectively participate and benefit from globalisation and avoid marginalisation, Africa should demonstrate the enthronement of good governance, which is essential in ensuring that the rule of law prevails and that transparency and "excessive governance interventions in economic management which creates a fertile ground for corruption and rent seeking behaviours must be substantially curdled" [70].

Above all, the issue of the excessive and increasing External debt, should be appreciably, looked into because External debt rescheduling & servicing will only continue to ensure the underdevelopment of African States and as it were, this

perhaps remain the major obstacle to African economic growth and development, creating political instability etc. and a great detriment to achieve participation at the world system.

Lastly, it can be of great hope if African countries would develop a more coherent approach or strategy on foregoing economic ties among the countries within the continent, again creating a high level group on globalisation to particular coordinate policies and participating (by having representatives to carrying the vote of the African people to the globe negotiating table) in the decisions of the Board of management of the world Bank, IMF, GATT, WTO, as such affect the continent. However, this might even or further reflect the African marginal position in the global power relations [71].

CONCLUSIONS

Whereas the world is rapidly growing and developing into a world single unit' otherwise known as the Global Village, rapid movement at realizing the new and on going process of Globalisation is a direct function of (national) development. In addition, that Globalisation will incidentally bring about world development because of the opening up of one's economy and products for an intensive competition among countries of the world at the world markets. It is obvious that the industrialised countries of the North will entirely benefit by taking the advantage of the opportunities offered in the spheres at wider markets for trade in that capital (economic fundamentals) will tend to move from relatively weak countries to those that are strong and developed.

Third world countries to which Africa belong are weak in terms of development and economic viability; hence, the bargaining power in relations to their ability to influence prices of products at the world markets and the eventual ability to effect decisions at the global level is missing due to the nature of the African economies and development which has subjected the continent to the state of underdevelopment and poor region-which has again made it easier and possible for the continued dependent and marginalisation of the continent on their countries at the global level. Africa may in the nearest future begin to appear as one of the active participants in the new world economic order if the necessary conditions for rapid development and the recommendations as identified above are instituted.

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