The high and low globalisation of The frail Africa and the Brawny West: A rhapsody of the fantasy

Aregbeshola Rafiu A.
Department of Business Management, College of Economics and Management Sciences, University of South Africa, Preller Street, Muckleneuk Ridge, City of Tshwane. P.O. Box 392 UNISA 0003, South Africa.
E-mail: aregba@unisa.ac.za. Tel: +27 12 429 8505.

Accepted 4 October, 2011

The glowing ambers of globalisation have helped hitherto protected economies to benefit from improved product qualities at far lower prices, as a result of foreign competition. Essentially, the technological and spillover effects of improved production processes have led to better quality products, national economic growth and better labour remuneration across the world. The drivers of globalisation, essentially technological innovation has helped to reduce poverty and the effects of its antecedents throughout the world. Evidence suggests that there has been an improvement in the level and prevalence of poverty throughout the world as a result of global integration of economies and interdependence of nations that globalisation galvanises. However, the benefits of globalisation have been observed to be lopsided. While the West have benefited substantially from globalisation, the less developed countries, which were purportedly identified as the main benefactors, have been deprived of the proceeds of this process. This article highlights the controversy that surrounds globalisation as a concept and ideology, drawing special lessons from the practical impacts and effects of globalisation on the diverse global regions (both in the developed and third-world countries). The article demonstrates that while globalisation has facilitated the current unsurpassed global prosperity and wealth creation; the process has also been criticised (inter alia) for the lopsidedness of global trade benefits, the prejudice of global institutions against the world’s poor, and its socio-political implications on national sovereignty and citizens in the developing world (especially Africa).

Key words: Globalization, economic growth, capital flow, information and communications technology (ICT), Africa.

INTRODUCTION

If one does not understand the scientific architecture of the A-380 super jumbo, one might be tempted to ascribe its airborne configuration to magic or some supernatural crafts. The “miracle” that surrounds communication networks may also be mistakenly ascribed to a misunderstood universal force if the scientific knowledge that supports optic-fibre technologies is unknown. It could also constitute some gesture wonderment to see multinational enterprises moving large sums of money across continents through the Inter/intranets within seconds or more importantly, highly valuable resources to foreign countries that are thousands of kilometres away with relative ease and self-assurance of safety. These are part of the realities of the world we live in today, as facilitated by globalisation.

Today, a Kikuyu (Kenyan) who was trained by a British Professor at the Pennsylvania State University in the United States gets employed by Masashita Technologies who reassigns the young man to its office in China. A few months later, the Nigerian office requires the training services of the Kenya-born IT expert, which requires him to relocate to the West African country for a while. All the while, he carries with him the Kenyan cultural heritage, the British academic orientation, and the American education value system. These values are combined with the Masashita’s organisational culture. This is the reality of a global village. Although, the recent clamour for increased global economic integration has been a phenomenon, its practice and application has been in existence for a long time. The first wave of globalisation

http://www.academicjournals.org/AJBM
DOI: 10.5897/AJBM11.1895
ISSN 1993-8233 ©2012 Academic Journals
appeared on the world economic map in 1870 and lasted till 1914, while the second wave (the current praxis) tracks back from the desolation of the Second World War (Mishkin, 2007). The ‘triangular trade’ (as the slave trade was known) has also been regarded as a form of globalisation of the 18th century (The Economist, 2007). More specifically, the modern form of globalisation has been uniquely synonymous with the quest and pursuance of capital (Henriot 1998), which multinational enterprises (MNEs) realised by reaping location specific advantages or factor endowments (Krause, 1965; Stiglitz 2002; Hill, 2011).

Considering the magnitude of its effects and acknowledgment, its diverse use and understanding, and the various attention garnered by its advocates and adversaries, it is little surprise that globalisation has transformed into an ideology (Aregbeshola and Palmer, 2007). In essence, globalisation is seen through divergent lenses, felt by different people in different ways, at different levels of magnitude, and with varying causes and consequences. The perception of Irelanders (one of the most globalised nations) about globalisation is incomparable to what the people of Uttar Pradesh, a marginalised rural village in northern India, hold of the concept/ideology. Given the aforementioned background, the complexity of the term is unquestionable, and as such, its definition. While some authors view the concept from criminology perspective (Friedrichs and Friedrichs, 2002). Mackenzie (2006) inundates it with grammatical rhetoric as he associates the concept with a non-criminal crime “…do we need to argue for the inclusion within criminology, of some forms of currently noncriminal harm to conduct a criminological analysis of the global economy?”

It is no gainsaying that the current debate on globalisation is marked by strong resentment or cynicism between the advocates of moral justice and the protagonists of inequality (Lee and Vivarelli, 2006). While the protagonists of globalisation sing its praises, its antagonists see it differently. Those in favour ascribed the recent rapid increase in trade and economic growth to the ideology, they also claim that the process has helped to reduce the level and prevalence of poverty around the world, has improved the global quality of life and life expectancy, and has also advanced global political democracy, thereby improving the global political stability and human rights record. Its adversaries contests that trade liberalisation (the main instrument of globalisation) has furthered income and wealth inequality within and among nations, has subjugated the national sovereignty of weaker nations, thereby exacerbating environmental degradation and labour exploitation (MacEwan, 1990; Stiglitz, 2002). The process has also been criticised for its tendencies to kill local vulnerable sectors as aggressive MNEs make inroads into less competitive foreign markets, thereby furthering the crowd-out argument – which exacerbates unemployment, and therefore worsens the prevalence and level of poverty (Henriot, 1998; Hill, 2011). While a few of the world’s poor have benefited positively from globalisation, its negative impacts are prominent on the rest (Stiglitz, 2002).

CONCEPTUAL OVERVIEW

To lay a basis for this discourse, there is the need to define the keyword: globalisation. As a hydra-headed concept, the definition is viewed from a diverse perspective, mainly from the sociological and economic perspectives (to narrow down its complexity) (Van Der Bly, 2007). To start with, the rising importance of humanity as a collective actor in the metaphysical study of the nature of existence, and the cultural philosophical doctrine, signify the advent of a collective mode of life and a converging world culture (Robertson, 1992; Boli, 2005; Van Der Bly, 2007). While there is a consensus about the unprecedented interdependence of global culture, that is globalisation of culture (Featherstone, 1990; Robertson, 1992), the reality of a global culture still remains doubtful (Appadurai, 1996; Geertz, 1998; Inglehart and Baker, 2000).

From the sociological perspective, globalisation could be conceptualised as "a process which embodies transformation in the spatial organisation of social relations and transactions (...) generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power” (Held et al., 1999). From the definition, ‘flows’ is used to depict the movements of physical artefacts, people, symbols, tokens and information across the world, while ‘networks’ imply the regularised interaction of the globalisation agents (ibid): both the proponents and the victims. This definition encapsulates globalisation as a process that catalytically depletes international borders across the globe, thereby increasing the possibility of a global cultural homogeneity. Aside the sociological perspective of globalisation that delves into global cultural ontogenesis, the economic aspect of globalisation is equally, very significant.

Zander (2002) defines globalisation as ‘the further expansion of the economic and symbolic architecture of modernity.’ Here, the author observes that national borders are fast becoming seamless as economies and cultures become increasingly interwoven. Although, this definition describes a steady movement in the process of adapting to a modern system, life-style, and worldview, a more expansive definition may be required to do an adequate justice to this complex concept. The definition by Johnson and Turner (2004) is therefore, considered very encompassing. Quoting the IMF’s World Economic Outlook, these authors define globalisation as ‘the growing interdependence of countries worldwide through the increasing volume and variety of cross-border transactions in goods and services and of international capital flows, and also through the more rapid and
widespread diffusion of technology’. According to this definition, the authors see globalisation as being facilitated by increase in:

i) International trade in both goods and services
ii) Increase in international capital flow
iii) Increase in technological advancement and its widespread diffusion.

This definition also highlights the fact that globalisation covers every instrument of trade and their practical applications. Through easy flow of goods and services, the proficient allocation of relatively scarce global resources is achievable (Hill, 2011). Consequently, this process allows global manufacturers to seek and exploit location specific advantages across the globe. Accordingly, the standard of living of the people is raised as it offers good quality products at lower prices; just as the profit motives of the MNEs are fulfilled, thereby creating more investible capital (Ghauri and Buckley, 2002).

In a nutshell, the term globalisation can be summarised as the modernity of global interdependency of nations that permeates every human endeavour in various magnitudes, in causes and consequences. This definition emphasises the process that facilitates an embedded global interdependence in almost every facets of humanity (Held and McGrew, 2003). Consequently, the impact of globalisation is felt very greatly, on education, research, economics, culture, morality, communication, work productivity, and political democracy (Thapisa, 2000), to mention but a few. Although, not all effects of globalisation have been simulated, four main measurable indicators of globalisation are evident to adjudge its course and consequences. These include trade in goods and services, financial flows, the movement of people, and the diffusion of technology and knowledge (The World Bank, 2008). These indicators will be applied to adjudge the effects of globalisation on the presumed victims of the process (especially Africa), later in the discourse. Having established that globalisation manifests itself in facets, the process is however, widely used in literature to reflect global economic interdependency of nations and their peoples, and its effects are measured mainly along these dynamics (Hill, 2011). This is buttressed by the World Trade Organisation’s (WTO) vision to achieve a ‘free, fair and unprotected trades’, the International Monetary Fund’s (IMF) aim of regulating global financial flows, and The World Bank’s objective of leveraging financial crises. This perhaps prompted MacEwan (1990) to describe modern globalisation as the spread of capitalism.

Hill (2011) furthers this argument as he identifies two components of globalisation: the globalisation of markets and the globalisation of production. According to him, the globalisation of markets is a process that ensures the amalgamation of historically distinctive and sharply divided world markets into one huge global marketplace. This scenario signifies that manufacturers/investing organisations are free (to some extent) to sell their products to individuals, communities, nation states, or regions of the world without any perceptible arbitrary impediment. According to Hill, the globalisation of production implies a process that increases the investors’ freedom to locate manufacturing facilities in any community, nation state, or region of the world without any evident restrictions. Accordingly, this is the sourcing of goods and services from locations around the globe, designed to take advantage of national differences in costs and the quality of factors of production such as labour, land, energy, and capital – the Heckscher-Ohlin theory of factor endowment (Peng, 2009). The agencies of the Washington consensus (The IMF, The World Bank and The WTO) promotes and supports this modern form of corporate-led globalisation that preaches accelerated deregulation of commerce and investment, a process that has been criticised as the most destructive aspect of globalisation (Stiglitz, 2002; Global Policy Forum, 2002). This is mainly so because, corporate globalisation has been observed to be lopsided, essentially in favour of the West (Ohiorhenuan, 1998; Henriot, 1998). It is always characterised by a winner and a loser, as the corporations do not only produce goods and services but also define and control economic, social, political and cultural arrangements and structures of people across the world (Aregbeshola and Palmer, 2007). It was argued that the singular purpose of capital that is concentrated in a few global corporations is to protect or expand their share of profit by venturing abroad while establishing strong mercantilist policies to protect technology and markets in their home countries (SPECTREZINE, 2004). Decisions that affect lives of millions of workers are taken at the corporate head offices that are located thousands of kilometres away by the people that barely realises the consequence(s) of such decisions on the affected people (Griswold, 2000; Stiglitz, 2002).

THE IMPACT OF GLOBALISATION

The impact of globalisation on the world’s population has not been good or bad. It all depends on how the active participants exploit its associated opportunities, while assuaging its inevitable shortcomings (Kholer, 2003). Lechner and Boli (2004) posited that globalisation is not experienced by a single individual or as a people in all its complexities, but that its significance is felt insofar as it reshapes the daily lives of billions of people. Griswold (2000) provides a lead in the argument in support of globalisation. According to him, there are three fundamental benefits of globalisation namely, the faster economic growth, reduction in poverty, and promotion of good governance. According to Griswold, consumers of hitherto protected economies benefit from improved
product qualities at far lower prices, as a result of foreign competition. He furthers his argument by citing technological and the spillover effects of improved production processes that lead to better quality products, national economic growth and better labour remuneration. Other authors (Dunning, 1993; Caves, 1996; Ouattara, 1997; Ashegian, 2004) corroborate this hypothesis. Hill (2011) cites the examples of China and India that benefited immensely from “enabling services” provided by the multinational companies, which were observed to have catalysed the development of manufacturing and other industries within these economies. This position was furthered by some experts (Correa and Kumar, 2003; Zander, 2002) all of whom concur to the economic gains of globalisation.

Köhler (2003) observes that economic growth (brought about by globalisation) has also resulted in medical advances. According to him, life expectancy has risen by over a decade in the developed countries and has increased by over a twenty-year average in the developing countries. The former IMF deputy director also located the positive effects of globalisation in economic diversifications of countries like Brazil, Mexico, Malaysia, India, South Korea, Thailand and China, all of which have scaled down their levels of raw materials exportation, by boosting mineral beneficiation. India for example, have benefited immensely as its IT and IT-based exports contributes about 16 per cent of all its total exports, amounting to US $29.5 billion of the total revenue that was generated by the industry in 2006 (Meyer 2007).

The link between globalisation and poverty reduction comes mainly from the job opportunities created by greenfield foreign direct investments (FDI) (Akinkugbe, 2005; UN, 2007). According to Meyer (2004), the multinational corporations’ investments abroad create new jobs, while enabling a better placement for locally available skilled workers. This is achieved as the ‘unemployed’ are recruited by the local subsidiaries of foreign firms for their operations, while skilled workers are also lured away from local competitors with higher wage offers (Akinkugbe, 2005; UN, 2003). It was observed that FDI, the most stable component of globalisation, has created over 53 million jobs worldwide (UN 2007).

Monsod (2000) also observes that the world as a whole is now more prosperous ever than before (as a result of globalisation). He further observes that trade flows have increased 12-fold in the past fifty years, while global exports have reached US $7 trillion a year as more than a fifth of world’s goods and services are being traded. Aside global movement of goods and services, international migration, has a strong, statistical impact in reducing poverty, especially in the less developed countries (The World Bank, 2006). Between 1960 and 2005, international migration was more than double, as the figure rose from 75 million in 1960 to 191 million in 2005, representing about three percent of the World’s population (WDI, 2007). As a result of improved migration processes, remittances from international migrants that reside in the developed and newly industrialised economies have been seen as the second major source of capital to developing nations (UNDESA, 2005).

By 2002, there were about 175 million international migrants. Of this figure, it was estimated that some 15%, or 26 million, are youths from third-world countries. In 2004, migrant remittance was quoted at about US $7.4 billion for Africa alone, the second source of capital inflows to the continent (The World Bank, 2006). Table 1 shows the net migration flow between 1995 and 2000. From Table 1, it is evident that almost 2.89 million people migrated within or outside the least developed continents (Africa, Latin America/Caribbean, and Asia) while the more prosperous continents (North America, Europe, and Oceania) attracted about 2.67 million migrants over the period under consideration. While economic reasons dominate the push factors for emigration, other factors such as socio-political considerations have also been found to be significant in this regard. To this extent, globalisation has been seen as a catalyst that promotes and eases the barriers that hitherto prevents easy movement of people across national borders.

Griswold (2006) observes that trade; development; and political and civil liberties are not exclusive to one another. In that, the process of economic globalisation has also resulted in better political governance across the world. For example, Rodrick (1992) observes that while good polices may not guarantee a country’s economic

### Table 1. Net global migration flows per region between 2005 and 2010.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Average annual flow of migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>1219.1</td>
</tr>
<tr>
<td>Europe</td>
<td>1340.6</td>
</tr>
<tr>
<td>Oceania</td>
<td>110.0</td>
</tr>
<tr>
<td>Africa</td>
<td>-532.0</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>-1049.1</td>
</tr>
<tr>
<td>Asia</td>
<td>-1311</td>
</tr>
</tbody>
</table>

Source: The UN population division, 2009.
growth, an abysmal trade regime could perhaps drive a country into economic ruin. Economic ruin on the other hand, has been observed as being capable of destabilising established political structure of countries that are weak economically, politically unstable, and crippled by poverty (characteristics of the LDCs) (Chabal, 2001). Griswold (2006) further observes that the annual survey of the Human Rights Research Organisation reported that 46% of the world’s people now live in ‘free’ societies as compared to 35% in 1973. The Freedom House survey indicates that the world’s democratic societies have increased to a record 64% over the last 33 years (Griswold, 2006).

Hill (2011) posited that China, South Korea, Taiwan, Singapore, and Hong Kong transformed from being undemocratic governments into more liberalised societies that embrace strong market economies, strong property rights protection; all of which have facilitated their unprecedented economic growth over the past 30 years. The impacts of policy instruments of the new partnership for Africa’s development (NEPAD) have also influenced Africa’s democratic systems. It is noteworthy that the numbers of African conflicts have greatly decreased from 16 to 5 in 2007 (WDI, 2007). Some of the African countries that have benefited immensely from economic and political proceeds of globalisation are Angola, Mozambique, Nigeria, South Africa, Ghana, Senegal, the Democratic republic of Congo, and Tanzania, among others.

GLOBALISATION AND AFRICA

Here, this paper will focus on two perspectives of globalisation. While the first part explores the benefits of globalisation, the other part examines its negative impacts on the developing countries, especially Africa.

Scenario 1: The gains of globalisation to Africa

Africa is the second largest of World’s seven continents. It covers 23% of the world’s total land area and contains more than 14% of the world’s population (MSN Encarta, 2008). The continent’s population is synonymous with a rapid growth rate. Its population grew from 9% of World’s total in 1950 (about 0.2 billion people) to 14% in 2005, and it is projected to increase to 21% in 2050 (almost 2 billion of the World’s projected 8.9 billion population) (UNDESQA 2005; Demeny and McNicoll, 2006). Despite Africa’s high population figure and its high concentration of mineral resources, the continent is disfavoured by chequered economic disingenuousness that commingles the far-flung poverty that pervades the continent. The continent accounts for barely 2.2% of World’s trade in 2004 (UNCTAD, 2006). Also, Over 60% of the countries on the African continent have per capita incomes less than US$ 500 per annum, barely 10% of World’s annual average per capita income (ECA, 2004). Comparatively, the continent’s total exports as a percentage of World’s total has been disappointing. The figure plummeted from 5.8% in 1980 to 3.2% in 1990, and recorded its lowest stratum in 1995 (2.2) before gently rising to 2.5 in 2004 (UNCTAD, 2006). The Human Development Index (HDI) of the continent is about the lowest in the world at 0.495 (ADB, 2006), while Africa’s rapid population growth rate (trebled from 276.2 million persons in 1960 to 783.4 million in 2000) could not be sustained by its low Real per Capita GDP that range within 1.2 and 2.7 between 1998 and 2005 (ADB, 2002, 2006). This may indicate that the benefits of technological advancement, social and economic changes that catalysed output in the Western regions of the world, did not have the same effect on the African economy (ADB, 2002). More specifically, Sub-Sahara Africa (SSA) is home to 33 of the 48 least developed (poorest) countries of the world (Mbaraka, 2001).

A detailed analysis of the effects of globalisation on Africa necessitates examining the significance of the global measurable indicators of this concept namely, trade openness and capital flow, rather than the aim or policies that support these processes (Lee and Vivarelli, 2006). As a result, this presentation will focus on the effects of capital flow (FDI and Portfolio investments), Information and Communication Technology (ICT), trade openness (economic liberalisation), and the structure of the global economic regulatory framework (The WTO, The IMF and The World Bank).

Capital flow (foreign direct investment)

The twin wings of globalisation (foreign direct investment (FDI) and portfolio investments) have noticeably influenced the African economies since the days of political independence from the colonial masters. Most countries on the continent have undergone a series of economic reforms which were prerequisites for participating in global trade and investment activities, precipitated by the dictates of the Washington consensus: The WTO, The IMF and the World Bank. Prominent among these reforms are economic liberalisation to foreign competition, constriciting fiscal and monetary policies, privatisation of state-owned assets, and the labour market liberalisation. A host of African countries have been playing by the rules of the new global economy, a situation that has been yielding ‘dividends’ (UNCTAD, 2007). As a result of the considerable contributions of the protagonists of globalisation (the WTO, IMF and the World Bank), the global value of FDI rose from US $105 billion in 1967 to US $710.8 billion in 2004, and US $1.2 trillion in 2006; a record that was surpassed in 2007 when FDI inflows grew to an estimated US $1.5 trillion, surpassing the previous record set in 2000 (UNCTAD,
Table 2. FDI inflows by host regions and major host economy 2006 to 2007 (billions of dollars).

<table>
<thead>
<tr>
<th>Host region/economy</th>
<th>2006</th>
<th>2007</th>
<th>Growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>1305.9</td>
<td>1537.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Developed economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>566.4</td>
<td>651.0</td>
<td>14.9</td>
</tr>
<tr>
<td>European Union (25)</td>
<td>531.0</td>
<td>610.0</td>
<td>14.9</td>
</tr>
<tr>
<td>EU (15)</td>
<td>492.1</td>
<td>572.0</td>
<td>16.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>139.5</td>
<td>171.1</td>
<td>22.6</td>
</tr>
<tr>
<td>United States</td>
<td>175.4</td>
<td>192.9</td>
<td>10.0</td>
</tr>
<tr>
<td>Developing economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>35.5</td>
<td>35.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Egypt</td>
<td>10.0</td>
<td>10.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Sudan</td>
<td>3.5</td>
<td>2.2</td>
<td>-37.9</td>
</tr>
<tr>
<td>South Africa</td>
<td>-0.3</td>
<td>5.0</td>
<td>---</td>
</tr>
<tr>
<td>Tunisia</td>
<td>3.3</td>
<td>1.0</td>
<td>-69.1</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>83.8</td>
<td>125.8</td>
<td>50.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>18.8</td>
<td>37.4</td>
<td>99.3</td>
</tr>
<tr>
<td>Mexico</td>
<td>19.0</td>
<td>36.7</td>
<td>92.9</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Asia</td>
<td>59.9</td>
<td>52.8</td>
<td>-11.9</td>
</tr>
<tr>
<td>South, East and South-East Asia</td>
<td>199.5</td>
<td>224.0</td>
<td>12.3</td>
</tr>
<tr>
<td>China</td>
<td>69.5</td>
<td>67.3</td>
<td>-3.1</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>42.9</td>
<td>54.4</td>
<td>26.9</td>
</tr>
<tr>
<td>India</td>
<td>16.9</td>
<td>15.3</td>
<td>-9.4</td>
</tr>
<tr>
<td>Singapore</td>
<td>24.2</td>
<td>36.9</td>
<td>52.6</td>
</tr>
<tr>
<td>Transition economies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russia Federation</td>
<td>28.7</td>
<td>48.9</td>
<td>70.3</td>
</tr>
</tbody>
</table>


2007). Of this figure, FDI inflow to Africa, one of the continents where its effects are of import, has been significant, but very low. This has mainly been attributed to the lopsidedness in the global share of the proceeds/losses of globalisation (Griswold, 2006).

From Table 2, FDI inflows to Africa in 2007 remained relatively strong. The strong inflows that amounted to US $36 billion were primarily occasioned by a continuing boom in global commodity markets. Over the period, cross-border Mergers and Acquisitions (M & As) in the extraction and related service industries remained a significant source of FDI to Africa. It was estimated that about 63% of all mergers and acquisitions (M & As) that occurred in Africa over this period took place in the primary sector (UNCTAD, 2007). Also of significance were new inbound M & As deals that took place in the banking industry, which mainly benefited emerging economies with rapidly developing financial sectors like South Africa. Countries that mainly benefited from FDI inflows to Africa over this period were Egypt, Morocco, and South Africa. Although, countries like Angola, Nigeria and Mozambique also played some significant roles (UNCTAD, 2007). When compared to the rest of the world, FDI inflow to Africa only grew by 0.1% from the whopping 17.8% global increase in FDI inflow over the period. The developed world grew by as much as 16.8%, while countries in West Asia recorded an outflow of about 11.9%; and Asia and Oceania recorded a single digit inflow of about 6.6% each. Except for Africa, all other regions grew by double digits (UNCTAD, 2007).

Information and communication technology

The impact of global improvement in ICT is also felt by Africa. Table 3 indicates that the continent is still lacking

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value (Billion dollars)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>59</td>
<td>84</td>
<td>157</td>
<td>579</td>
<td>1838</td>
<td>3675</td>
<td>7375</td>
<td>13619</td>
</tr>
<tr>
<td><strong>Share (%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>North America</td>
<td>28.1</td>
<td>24.8</td>
<td>19.9</td>
<td>17.3</td>
<td>16.8</td>
<td>18.0</td>
<td>15.8</td>
<td>13.6</td>
</tr>
<tr>
<td>United States</td>
<td>21.7</td>
<td>18.8</td>
<td>14.9</td>
<td>12.3</td>
<td>11.2</td>
<td>12.6</td>
<td>9.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Canada</td>
<td>5.5</td>
<td>5.2</td>
<td>4.3</td>
<td>4.6</td>
<td>4.2</td>
<td>4.0</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.9</td>
<td>0.7</td>
<td>0.6</td>
<td>0.4</td>
<td>1.4</td>
<td>1.4</td>
<td>2.2</td>
<td>2.0</td>
</tr>
<tr>
<td>South and Central America</td>
<td>11.3</td>
<td>9.7</td>
<td>6.4</td>
<td>4.3</td>
<td>4.4</td>
<td>3.0</td>
<td>3.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.0</td>
<td>1.8</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Argentina</td>
<td>2.8</td>
<td>1.3</td>
<td>0.9</td>
<td>0.6</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Europe</td>
<td>35.1</td>
<td>39.4</td>
<td>47.8</td>
<td>50.9</td>
<td>43.5</td>
<td>45.4</td>
<td>45.9</td>
<td>42.4</td>
</tr>
<tr>
<td>Germany</td>
<td>1.4</td>
<td>5.3</td>
<td>9.3</td>
<td>11.6</td>
<td>9.2</td>
<td>10.3</td>
<td>10.2</td>
<td>9.7</td>
</tr>
<tr>
<td>France</td>
<td>3.4</td>
<td>4.8</td>
<td>5.2</td>
<td>6.3</td>
<td>5.2</td>
<td>6.0</td>
<td>5.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Italy</td>
<td>11.9</td>
<td>9.0</td>
<td>7.8</td>
<td>5.1</td>
<td>5.1</td>
<td>4.6</td>
<td>4.1</td>
<td>3.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.8</td>
<td>1.8</td>
<td>3.2</td>
<td>3.8</td>
<td>5.0</td>
<td>4.9</td>
<td>4.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Africa</td>
<td>7.3</td>
<td>6.5</td>
<td>5.7</td>
<td>4.8</td>
<td>4.5</td>
<td>2.5</td>
<td>2.4</td>
<td>3.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>2.0</td>
<td>1.6</td>
<td>1.5</td>
<td>1.0</td>
<td>1.0</td>
<td>0.7</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>GATT/WTO Members</td>
<td>62.8</td>
<td>69.6</td>
<td>75.0</td>
<td>84.1</td>
<td>78.4</td>
<td>89.4</td>
<td>94.3</td>
<td>94.1</td>
</tr>
</tbody>
</table>


Note: Between 1973 and 1983 and between 1993 and 2003 export shares were significantly influenced by oil price developments.

Aregbeshola 1205

In the mobile telecommunication sector, Africa is the fastest-growing region in the global mobile phone services. In 2006, a market growth of 45% positioned Africa as the fastest-growing region, ahead of the Middle East (30%) and Asia-Pacific (28%). Cellular connections was estimated to have increased in Africa by more than 200 million in the first quarter of 2007, to a record penetration rate of about 21% (Rice, 2006). More specifically, mobile subscriptions grew by 51% in West Africa to reach 82 million in the first quarter of 2008, up from the 48 million recorded in 2006, thereby increasing mobile telephony penetration to 30% of the 251 million West African population (THIS DAY, 2008). Recent data shows a meaningful growth in mobile telephone usage across the world (including Africa), as compared to fixed lines. The analysis is contained in Figure 2. From Figure 2, the use of mobile telephone in Africa increased to 414 per 1000 people, while Europe also dominated the chart again. Despite the increase in the mobile phone penetration rates in the world, Asia and Pacific and Africa are two continents with a usage that is still below the world average. Aside the improvement in Africa's telecommunication usage, the continent has also

In the mobile telecommunication sector, Africa is the fastest-growing region in the global mobile phone services. In 2006, a market growth of 45% positioned Africa as the fastest-growing region, ahead of the Middle East (30%) and Asia-Pacific (28%). Cellular connections was estimated to have increased in Africa by more than 200 million in the first quarter of 2007, to a record penetration rate of about 21% (Rice, 2006). More specifically, mobile subscriptions grew by 51% in West Africa to reach 82 million in the first quarter of 2008, up from the 48 million recorded in 2006, thereby increasing mobile telephony penetration to 30% of the 251 million West African population (THIS DAY, 2008). Recent data shows a meaningful growth in mobile telephone usage across the world (including Africa), as compared to fixed lines. The analysis is contained in Figure 2. From Figure 2, the use of mobile telephone in Africa increased to 414 per 1000 people, while Europe also dominated the chart again. Despite the increase in the mobile phone penetration rates in the world, Asia and Pacific and Africa are two continents with a usage that is still below the world average. Aside the improvement in Africa's telecommunication usage, the continent has also
benefited from the Internet technology. The global increase in the Internet usage was not confined to the regions that pioneered the technology. The benefit has penetrated every region of the world, including Africa. Between January 1996 and June 2002, the world usage of this technology increased meaningfully.

From Figure 3, despite global increase in the Internet usage from barely 20 million users in January 1996 to almost 600 million in June 2002, Africa still lags behind. The penetration rate for Africa (usage per total population) is quoted at 5.3 and 3.6% of the world’s total; although, Africa’s usage grew by 1030.2% between 2000

---

**Figure 1.** Fixed telephone lines per 100 inhabitants 2010.

**Figure 2.** Mobile cellular subscriptions per 100 inhabitants, 2010*. * Estimate; ** Commonwealth of independent States. Source: ITU World Telecommunication /ICT Indicators database.
and March 2008 (Internet World 2008). This growth in Internet usage no doubt, have aided learning and research on the global scale, not to mention healthcare, entertainment, communication and other socio-economic and political impacts.

Scenario 2: The pains of globalisation

Having looked at the benefits of globalisation, it is equally important to look at the other side of the equation. Anti-globalisation protests have been in the continuum. Its record can be traced to the activities of Zapatista Army of National Liberation of Mexico, who took up arms against the implementation of NAFTA on the first of January, 1994. Since 1994, this group has resisted (among other things) the corporate incursions into Chiapas (one of the 32 states in Mexico) (De Angelis, 2000). However, record suggests that the well-documented anti-globalisation began with its first organised protest in Seattle (United States) in December 1999, proceeds to its first martyr in Genoa (Italy) in 2001, and the 2007 violent protests at the G8 summit in Heiligendamm (Germany). Couple with the socio-political and economic effects of the global financial and economic crises of 2008/2009, no international trade summit across the world are absolved from violent protests. All these protests are channelled towards achieving a single goal, to foreclose the unfair global trade system. The demise of the Eastern Europe in the early 1990s signifies the end to ‘cold war’- the end to alternative economic choice and the inevitability to succumb to the stormy forces of capitalism: the survivor and victor of the global economic wrangle (Lee and Vivarelli, 2006). This necessitated countries across the globe to play by the ‘rules of the game’ in order to be seen as ‘global players’. The main criticism of modern globalisation emanates from its modus operandi that precipitates victors and losers (Lee and Vivarelli, 2006).

The pains of trade openness (economic liberalisation)

The main criticism of modern form of globalisation has
been its principal drive towards the universal homogenisation of not only trades and investments (capital) but also of ideas, cultures, values and even lifestyles (Ohiotorhenuan, 1998; Stiglitz, 2002). The ideology of the proponents that transnational corporations and financial institutions should enjoy universal liberty independently of national boundaries and unique domestic economic circumstances is not only the criticism of the proposition, but the most destructive aspect of the process (Henriot, 1988; Akindele et al., 2002). The Uruguay Round of GATT agreements were designed to advance the Neo-liberal policies which use micro-economic indicators as a primary measure of a healthy society (Siddiqi, 2006). To achieve this, the proponents of modern globalisation institutionalised the notion that FDI inflows and financial movements are primarily influenced by the prospects to take advantage of location specific circumstances and endowments (Hill, 2011). The global trade system under the GATT rulership, and more recently, the WTO does not only dictate economic structures but also political arrangements (Henriot, 1998). This proposition was based on the ‘believe’ that unrestricted investment will solve the problems of low economic growth that confronts the less developed countries, especially Africa. By all indications, this conjecture has been proven to be ill-conceived, lopsided and at best, a deceit.

The process of economic liberalisation underpins ‘imperial policies’ that advances the final conquest of capital over the rest of the world (Akindele et al., 2002; Gathmann, 2007). The proceeds of trade liberalisation and economic openness advocated by the Washington consensus do not only benefit the West, but has also entrenched their dominance in economic participations and negotiations. Take for instance, the level of exports for the developed world continued to increase between 1948 and 2007. In 1948, the world exports were put at 59 billion dollars, of which North America accounted for 28.1%, followed by Europe (35.1%). These two economies accounted for more than 63% of the world’s total. This momentum has been sustained over time. The European share of the world’s total grew unabated up until 2007, when it experienced a very slight decline. This is depicted in Table 3. The trend for North America was not as impressive as that of Europe, but the African figures reflects nothing but a terrible decline. The figures fell from 7.3% of the World’s total in 1948 to 2.4% in 2003, before gently leaping to 3.1% in 2007. The low export figures for Africa were architecture by the despondency of the colonisation experience and the lopsidedness of export promotion agenda of the West (Magubane, 2002). The recent increase in exports revenue to Africa was occasioned by energy and other resources endowments (ECA, 2006), which are sought after by the West (and moiré recently, Asia – China) to wet their savoury appetite for growth. The impact of this decline in Africa’s export has been grave. In monetary terms, each 1% drop in Africa’s global share of trade (export) is equivalent to losing US $40 billion in income (Siddiqi, 2006). The situation is not better on the import front. Over the same period, imports for Europe were very stable ranging from 45.3% of the World’s total in 1948 to 43.4% in 2007. The North America’s imports increased gently over the same period from 18.5% in 1948 to 19.4% in 2007. The situation for Africa was disturbing. Just like exports, imports also fell considerably from 8.1% of the World’s total in 1948 to 2.6% in 2007 (WTO, 2010). This supports the argument that Africa’s underdevelopment is fuelled by its inability to import necessary technology to facilitate its development, let alone attracting technologically-inclined FDI (Perez, 1983; Abramovitz, 1989; Shafafeddin, 2005).

Based on the lopsidedness of the global trade regime, Africa has very little to show for embracing the global ideology of globalisation. Over time, no research has been able to establish a causal link between foreign investment and poverty reduction on the African continent. This is mainly because 80% of FDI are in the form of mergers and acquisitions, and very little in the form of productive investment that creates jobs and exports (UNIDO, 2005; WTO, 2007). More specifically, in 2005, 60.5% of total net foreign direct investments in Sub-Saharan Africa went to oil exporter countries (The World Bank, 2007).

The role of WTO in trade negotiation

Aside Africa’s trade marginalisation, inherent problems in the trade/investment negotiation processes by the institutions of Washington Consensus have continuously posed challenges to trade negotiations, of which a good number of these negotiations have failed to achieve their targets. For instance, the envisaged proceeds of Doha ‘agreement’ seem to have evaporated with the steam of quandary that galvanised its commencement. The challenges posed by the stalemate in the Doha negotiation rounds now place a question mark on the sustainability of a ‘free, fair and unprotected trades’, and the institution that pioneers it. The imbalance in global economic tutelage manifests in the structures and applications of trade regimes and negotiations. While Africa is continuously pressured to open its markets to foreign manufactures, the Western doors are firmly closed to ‘substandard’ products from Africa. The question that now arises is who benefits from trade, is it the Western retailers or the poverty-ridden African consumers who are subverted by the burgeon trade-autocrats to no alternative?

The level of imbalances in the trading regime locates in the rulership of the WTO that preaches ‘free, fair and unprotected trade’. This organ has been criticised as being primarily an instrument of Western governments who advocates proposals and supports same in the interest of its proponents (Henriot, 1998). The Uruguay
Round agreed to liberalise trade and remove all vestiges of trade manipulation ranging from tariffs through to subsidies; but the practical application of these rules and the operational reality is upsetting. Under the current WTO rules, rich countries are allowed to erect the highest possible barriers on the goods produced by the poorest countries. In a practical sense, seventy per cent of the world population lives in the rural areas and their main source of livelihood is agriculture (Thissen, 2007). The double standard of the West on agriculture affects the world’s poor in two folds, namely the import tariffs and subsidy. Agricultural tariffs designed by the agencies of globalisation at the Uruguay Round are hurting the poorer countries more. For example in Europe, imports of raw cocoa attract a tariff of one-half per cent. Semi-processed cocoa attracts as much as ten per cent tariff while chocolate (manufactured from cocoa pastes) attracts as much as thirty per cent (Wolffowitz, 2005). This arguably explains why the ninety per cent of world’s cocoa producers (especially Cote d’Ivoire, the world largest cocoa producer) (OECD, 2006) produces only four per cent of the world’s chocolate. It’s a scandal that wealthy nations are developing in terms of trade barriers, out of self-interest (Spiegel, 2006a; Thissen, 2007).

Still on agriculture, farmers are kings in the West. Wolffowitz (2005) further observe that the developed nations spend US $280 billion annually on agriculture supports (an average of US $1 billion every working day). When compared to the amount these nations spend on aids to less developed nations, some level of insincerity abound. For United States and Europe, US $3.00 is spent on each dollar expended on foreign aid. The figure is 500 yen in support of agriculture for every 100 yen spent on aid by Japan (Wolffowitz, 2005). In the European Union, the agricultural subsidies fatten the rich (Spiegel, 2006). The EU featherbeds big diary firms by millions of pounds to produce excesses that flood African markets at uncompetitive prices (dumping) (Spiegel, 2006b). The most affected countries are Cote d’Ivoire, Sudan and Nigeria; thereby further damaging local firms in those scrawny economies (Mercer, 2006). Mercer observes “We are exporting our own problem, undermining economies in developing countries”. The continued failure of G4 summits to arrive at a popular decision over subsidy may be attributed to the pressure from the Western manufacturers who always frown at accepting any deal that did little to further open markets in the developing countries to the Western exports (Palmer and MacInnis, 2007). Further to these inequalities, farm produce from the developing world (Africa being the most badly affected) are poorly priced by the Western ‘sole’ buyers. In the Ethiopian village of Yirgacheffe, the highest price for a kilo of coffee cherries is barely US $2.25. Some of the farmers even sell at 33 cents for a kilo. On the average, 80 cups can be served from each kilo of coffee. In big cities of US and Europe, Starbucks, the American coffee retailer, sells a cup of coffee for as high as US $3.00 or GBP 3.00 (BBC, 2007). The continued disagreement between Starbucks and Oxfam over Ethiopia’s bid to trademark its coffee is a reflection of the Westerners’ desire to maintain the status quo of exploiting the World’s poor. Robert Nelson, the head of National Coffee Association in United States declared “For the US industry to exist, we must have an economically stable coffee industry in the producing world” (BBC, 2007).

The Structure of the International Financial Institutions (IFIs): The IMF and the World Bank

Aside the conspicuous trade imbalances and the lopsidedness of trade negotiations, the decision-making process in the IFIs appears to be very obstinate. Take for an instance; most of the decisions made by these organs require a 50% approval of member nations. While the wealthiest economies command 40% of the total votes (the G7 alone commands 45% of the IMF voting power), the entire developing world have only 26% of the total votes (Africa, which constitute 25% of the institutions’ membership, with a combine population of about one billion, has only 4% of the voting power, while Belgium with only 10 million population has more voting right) (Woods and Lombard, 2006). Some of the more crucial decisions of these institutions, especially those that deals with the amendments of the Articles of Agreement of the IMF require 85% majority of votes (IMF, 1945). On this important decision, United States has a veto, and controls more than 15% of total votes (IMF, 2006). Aside the ‘inadvertence’ that both of these institutions are located in the United States (Washington, D.C.), the United States’ Treasury Secretary nominates the president of the World Bank (who is always a US citizen, along with the deputy Director of the IMF), while the Managing Director of the IMF is always a European (IMF, 2008). This level of inequality in the regulatory framework of the IFIs, and the desire of the ‘powerful’ countries to preserve the status quo, explains why the developing world may not benefit enough from these institutions, in a way that will help alleviate poverty. Evidence abound on the level of injustice being perpetrated by the IFIs to further the interests of advanced countries and the multinational enterprises (MNEs) from the industrialised countries, at the expense of the world’s poor (Henriot 1998; Stiglitz, 2002; Ghauri and Buckley, 2002; Akindele et al., 2002).

The Fund which was founded on the ‘belief that (free) markets often worked badly’ (Stiglitz, 2002), now advocates vulgar trade and capital market liberalisation: free market economies. During the 1980s and 1990s, developmental loans are approved to the least developed nations on condition that these nations adopt a blanket rule of the structural adjustment programme (SAP). On the premise that it does envision conscripting government spending on social services, the resultant economic...
hardship and lack of infrastructural development but only eventually exacerbates poverty (Stiglitz, 2002). The use of 'grammatical substitution approach' to replace 'structural adjustment' programme with the Poverty Reduction Strategy Papers under the HIPs initiatives (Mackenzie, 2006), indicates West's reticence to genuinely reform these institutions to benefit the World's vulnerable.

Most of the Africa's backwardness has been attributed to the pressures exerted on the African leadership by bourgeois to 'play along' with the Washington Consensus. This process furthers Africa's inability to manage domestic social relations, particularly the level of inequalities (Thissen, 2007). African leaders barely react to, but do not initiate actions, as this may be construed as creating an unfavourable investment environment, thereby leading to capital flights or divestment. This situation has resulted in a series of social violence and political instabilities across the continent (MacEwan, 1990; Chabal, 2001). For instance, most of the arms struggles in Africa are as a result of the state's inability to respond to the yearnings and aspirations of its people (Billon, 2003). Although, the number of armed conflicts on the continent is falling, a lot of resources are engulfed by post-conflict restructuring (IANS, Oxfam and Saferworld, 2007). The proliferation of weapons is a key driver in armed conflicts (ibid) and the West (and now China), have always benefited from arms deals. The continued arms struggle in places like Sudan, Chard, Democratic Republic of Congo (DRC), Eritrea/Ethiopia and the revolutionary Maghreb countries (to mention but a few), furthers the argument of the insincerity of the West. The list of troubled countries does not exclude Liberia, Sierra Leone, and Cote d'Ivoire. The hegemon exploits Africa's extremism: when things go right they do not last, and when they go wrong, they go awfully wrong for a very long time. The desperation by African leaders to alleviate depression precipitates their susceptibility to 'play by the rules' of the Washington Consensus, which only worsens their vulnerability.

THE WAY FORWARD

Having identified the problems precipitated by globalisation, what is the way forward? Köhler (2003) observes that the world needs more, not less of globalisation to alleviate poverty and to ameliorate the socio-economic problems of the world, especially, in the less developed countries (Africa); his argument was based on the premise that only 'good intended' globalisation is capable of benefiting all the stakeholders, that is, without a victor or a victim. This implies a renewal of the globalisation process, underpinned by global rules and institutions that place equity above selfish interests and greed (Somerville, 2007).

While encouraging African States to embrace globalisation, the former President of South Africa, Thabo Mbeki, one of the pioneers of the new partnership for Africa's development (NEPAD), opines that African leaders must "re-shape and re-direct its impact". On the intervention front, the viewpoint of Kofi Annan, the former UN Secretary General will be taken as a point of departure. Addressing the World Economic Forum on January 28, 2001; Mr Annan observes 'Friends, it is as simple as this; if we cannot get globalisation to work for everyone, then it will not work for anyone'. Pascal Lamy, the Director General of WTO (2007) also concurred to Annan's principle as he observes: The challenge before us is now not technical, but rather political. It is about compromise, about countries recognising their common interest in success and the collective costs of failure. These words should be seen as clarion calls to the African leaders. For Africa to benefit from globalisation, there are two possible approaches: the national and the continental interventions.

The national intervention

1. At the national level, each government should develop more people-oriented policies that treat citizens as human rather than ordinary statistics. For instance, while the GNP per capita of South Africa is more than US $3,000, 30% of the population don't even have pit latrines; they use buckets (Wessel, 2007). Other African nations are not immune to this ugly plight. This outrage situation should be addressed, and urgently too. African leaders should strive towards achieving better democratic societies, by being more responsive and less greedy.

2. Also, the need for skills development and human capital development cannot be underestimated. Sub-Saharan Africa has one of the world's lowest adult literacy rates, with only 60% of the population of 15 and over able to read and to write in 2000, well below the world average of 80% (UNESCO, 2004). If Africa is to create its own scientific and technological revolution, concerted efforts are required from leadership to provide both an enabling academic environment and proper instruments for learning. A lot of policies designed to alleviate poverty and to create wealth have suffered on many occasions as a result of lack of manpower to execute programmes, while 'outsourcing' the innovation and technology required for development have been economically catastrophic. Continued emigration of skilled workers from Africa is another hindrance to Africa's supply of human capacity that is crucial to any developmental initiative.

3. More importantly, African states need to address corruption. The incidence of corruption has been particularly troubling in Africa. Corruption should be seen as glowing embers in the bush-fire that eats at the moral and economic health of any society. It perpetuates itself into an indispensable fulcrum - an easy ride to moral insanity, administrative sewers and unethical baptism. It
is estimated that the loot stashed away in foreign accounts by African leaders are roughly equal to the total debt of the continent (Chabal, 2001). Good governance should be a top priority of African States. While some leaders empty the covers of the country they govern, some engage in money laundering and drug smuggling. These quagmires further reduce our leaders’ ranking at the world negotiation Rounds. To earn global respect and accolade, He who preaches equity must come to justice with clean hands! Morality prescribes that only credible people should be accorded credible considerations. The principle of enrichment without development should be decimated from African States.

4. Efforts should be garnered to diversify national economies on the continent. Each country should engage in broadening their economic bases, especially by converting a good proportion of their natural resources into intermediary or finished goods, to serve the domestic market and the continent at large. Cote d’Ivoire (the largest cocoa producer) should be able to process her cocoa into cocoa paste or chocolate, for the local and continental markets. The same applies to Nigeria (one of the largest oil exporter in Africa) who still imports refined fuel from the West. The trade barriers between and among African countries should be addressed with all the seriousness and willingness it deserves. Currently, it is easier to export Gambian groundnut to Europe than to sell same in Ghana. Transport costs and road networks remains a significant problem to African trades and investments (ECA, 2006; IANSA, Oxfam and Saferworld, 2007). Nearly 40% of Africans live in landlocked areas with poor road networks and incomparably high transport costs that could be almost double the cost in the developed world (World Bank, 2006). Lack of good road network, coupled with non tariff barriers, inevitably hinders trade and entrepreneurial activities between and among African States and people.

The continental intervention

1. At the continental level, the leadership vacuum created at the global level should be filled. Africa should take its rightful place on the world map, through unification and integration in both economic and political aspects. It is suggested that a well-functioning economic and political integrations among African countries will yield a better economic prospect, in lieu of the continued unsuccessful lobby for European and American trade relations, and political interventions.

2. Also, African leadership should resolutely press for the liberalisation of the so-called ‘rogue armies/states’. There is the need to create a truly democratic global environment. Not alphabetically federalism of the kind that grants all country members one votes, with the powerful ones having a veto. It is only a truly democratic world order that is capable of removing all tinctures of the ugly past, and bitter realisms of the present. A mistake should not be made to link globalisation with slavery, colonialism, or more appropriately, neo-colonialism by bourgeoisie. The question that African leaders should ponder over is what happens if the Doha Round fails? The bigger question should be what happens if the WTO is unable to survive the cold winds of Doha Round and it fades off, just like the reality of ‘free, fair and unprotected trades’? The more specific question should be what happens to Africa, if the status quo continues till 2050 when the population of the continent is projected to reach 2 billion (21% of the world’s total), giving the current state of economic underdevelopment, the level and prevalence of poverty and high unemployment rate?

REFERENCES


The United Nations Department of Economic and Social Affairs (UNDESA) (2005). *Consequences of Migration For Developing Countries*. New York. The UN.


Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.