

## **GLOBALIZATION AND AFRICAN SELF – DETERMINATION**

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### **Abstract**

*One of the major features of international relations in the twentieth century was the increasing wave and process of globalization. This increase in the process and form of globalization which coincided with the unipolar world system operated by liberal capitalism and headed by the United States of America brings up a number of issues. One of such issues is the impact of globalization on the development and self-image of African states and people. This is because globalization is a broad process that permeates the whole world with far-reaching ramifications covering economic, political and cultural dimensions of contemporary life, and according to Jibrin Ibrahim, one of its most important characteristics is that it produces winners and losers. Thus, this paper argues that if there is any serious challenge confronting African state today, it is the threat of total marginalization from what is taking place in the global economy. This position is supported by the fact that in Africa, the dominant form of globalization means a historical loss in the economy of livelihoods and mode of existence; in politics, a loss in the degree of control exercised by territorial states such that the locus of power gradually shifts in varying proportions above and below the territorial state; and in culture, a devaluation of a people's achievement or perceptions of them. This paper, therefore, examines the impact of globalization on Africa's development and self – determination and how African states and people can assert relevance in a globalized world. The paper concludes by asserting that the threat of marginalization of Africa from the benefits of globalization imposes special responsibilities on African intellectuals and leadership to re-examine globalization and what it stands for, as well as define an alternative ideological and institutional framework within which Africa's development and self-determination can be achieved.*

### **INTRODUCTION: CONCEPT AND PROCESS OF GLOBALIZATION**

The utility of globalization both as a concept and as a phenomenon is in contest. According to Assisi Asobie (2001:37), globalization is a contested concept. Its history is mired in controversy. And although its ideological implications are relatively free from serious contestation, its implications for different geo-political zones of the international system constitute a moot point.

The reason for these contestation and controversy surrounding the concept, history and ideological implications of globalization is informed by the fact that those who write, write from different viewpoints as scholars, policy makers and as international actors. While some see globalization purely from the economic perspective, either as "essentially the universalization of capitalism" (Asobi, 2001:37), or as "the deepening of economic integration and merging of national economies as a result of the transnational activities of firms" (Arzemi, 1994:175), others see it only from the socio-cultural dimension, arguing that globalization is nothing but the intensification of worldwide social relations, which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa (Giddens, 1990:64). Political scientists are not left alone in this consuming passion on globalization. They posit globalization has developed to build a superstructure of political behaviour in which the sovereignty of the nation – states would be steadily eroded and circumvented (Ian Clark, 1997:18).

Nevertheless, it is the position of this paper that conceptualizing globalization from either economic, sociological or even political perspective alone is misleading. This is because; globalization is a broad process permeating the whole world, with far – reaching variations covering economic, political and cultural dimensions of contemporary life (Ibrahim, 2002:3).

Historically, most writers are content to present globalization as a long term historical process. Typically, it is asserted that the linear expansion of globalization that we are currently experiencing began in fifteenth and sixteenth centuries.

According to Saheshabalaya (2006:3), well before trade in goods and services commenced, globalization consisted of the exchange of ideas across distinct civilizations – as opposed to loosely structured nations and / or tribes – such ideas help form worldviews and shape the world materially. Aaron (2001:21) argues that though the current wave of globalization may be different, its essential elements and processes date back to establishment of the great trading companies formed in the seventeenth century, the opening of the Suez Canal, and the union pacific railroad which were all defining moments in the creation of globalization.

According to Odock (2002:5), the current wide spread usage of the term globalization could be misleading if one does not appreciate that it is a new concept fashioned to describe an essentially old process of the gradual incorporation of the world into a unified market that has been part of the world wide expansion of capitalism in the past three centuries.

Thus, no matter how we define globalization, we must be conscious of the fact, that it is part of the capitalist process of production and expansion primarily for the purposes of profit maximization. To this end, it is obvious that globalization just as the imperialist phase of capitalism which proceeded it will work in favour of the rich and the strong to the detriment of the poor and weak countries.

### ***DIMENSIONS OF GLOBALIZATION***

Though it has been asserted in this chapter that globalization as an old phenomenon, chronologically dates back to the sixteenth and seventeenth centuries, contemporary globalization has certain specific features which define its distinctiveness.

First, behind the current wave of globalization are forces of trade, financial flows movement of people and Information and Communication Technology (ICT). Secondly, contemporary globalization involves a gradual transformation of business companies from MNCs to TNCs. TNCs take the world as one component unit; plan their business in contemplation of the world market, and see themselves as non-national entities for which national boundaries are largely irrelevant.

Thirdly, today, although MNCs and transnational corporations (TNCs), the main actors in the globalization process, still invest in manufacturing, they concentrate such investments in sites which have comparative advantage in terms of advancement in the new information and communication technologies. These are the industrialized countries; this has had the effect of boosting investment and trade in the industrialized countries and by-passing the underdeveloped areas thus resulting in regional differences in degrees of globalization.

Fourthly, as part and parcel of the process of globalization, the nature of international trade is undergoing transformation. What now predominates, by way of global trade, is better described as intra-company transfers rather than trade among nations. And the products being traded on are not mainly goods any more; they are primarily services, consequently, the factors (e.g. variations in exchange rates) which, in the past, usually shaped international trade now have little impact; they have become unavailable as policy instruments for stimulating increase in the volume of export commodities, for instance. Furthermore, the traditional relationship between trade and investments has been reversed. It is traditionally assumed that investment follows trade: but in the contemporary globalizing world, trade follows investment. To increase trade, one must first expand investment. This has altered the logical sequence of the steps towards regional integration.

Fifthly, contemporary globalization features a gradual replacement of land, unskilled labour and capital by knowledge, especially technological knowledge, as the chief economic resource. Consequently, knowledge intensive labour is now treated by MNCs and TNCs as fixed cost, which therefore, merits higher consideration in their investment decisions than lower wages and lower taxes, which, in the past, conferred a comparative advantage on the less developed countries. Thus, in comparison with the industrialized countries, African states have less chances of attracting foreign direct investment, especially in the productive sector (Eskor Toyo, 2002:54).

Lastly, contemporary globalization is not solely market –driven. On the contrary, it has a strong political dimension. Globalization today means global governance. To begin with globalization today is as much the product of the inexorable march of market forces as the by-product of states consciously and deliberately promoting the internationalization of the strategies of their corporations, and in the process, the internationalization of state capacity.

More importantly, contemporary globalization involves a conscious effort by the governments of the industrialized countries to govern the world, using much multilateral agencies as the World Trade Organization (WTO), the World Economic Forum (WEF), the International Monetary Fund (IMF), and the World Bank, the Organization of Economic Cooperation and Development (OECD), the Group of Eight (G-8) and the United Nations Security Council (UNSC) (Asobie, 2001:39).

One of the most important characteristics of contemporary globalization is that it produces winners and losers. The winners of globalization game so far are countries characterized by diversified export – oriented economies, path-breaking innovations in information and communications technology and well developed infrastructure – physical and social. Conversely, the losers are those countries dependent on the export of a narrow range of raw materials, weak scientific and technological base and poor, or non-existing physical and social infrastructure (Ibrahim, 2002:3, Aaron, 2001:23).

Thus, Africa's specialization as an exporter of primary produce in the global trade, a position it has even lost, the leading role to some Asian countries, its position in the 'digital divide', its state of infrastructure, or lack of it, and the lack of continental economic integration have methodically programmed Africa to lose out in the globalization game (Toyo, 2002:56).

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The possibility that the term globalization could be used in a number of distinct senses does not in any way minimize the challenges which the process it describes imposes on the underdeveloped countries, especially those of Africa. The marginalization of Africa from the benefits of globalization imposes special responsibilities on African elites and political leadership to re-examine globalization and what it stands for, as well as define an alternative ideological and institutional framework within which Africa's development and self – determination can be achieved. Thus, an examination of the position of Africa in the globalization game and of the conditions precedent for Africa's meaningful participation in globalization is quite in order here.

First, in terms of trade, generally seen in development circles as an engine of growth, Africa has always emerged disadvantaged in its trading relations with the rest of the world due largely to the asymmetries and imperfections that characterize such relationships. With a "disarticulated" economy that was conditioned to serve as a source of raw materials for European industries and a market for European manufactured products, Africa has never tangibly benefited from its trade with the west. Bad as it has always been, it can be argued plausibly that Africa's performance under the new globalization is worsening. Peterson, (cited in Los Angeles Times, June 1, 2000), citing recent World Bank sources, reports that "Africa accounts for barely 1% of global economic output and 2% of world trade. Its share of global manufactured exports is almost zero".

It is bad enough to specialize in the export of non-diversified primary products, but worse still to record a shrinking share of such in world market. It is reported that due to Africa's technological backwardness in production and some other reasons, the continent has lost its leading position as an exporter of raw materials (Ake, 1996:7, GCA, 2000:22).

Apart from the above, one major reason that accounts for Africa's shrinking share in the world trade is the tariff and non-tariff barriers that they have had to grapple with in an attempt to penetrate developed world markets (Global Coalition for Africa Annual Report 2001/2002:22). One, however, needs to point out here that even if all barriers are removed, African products would hardly compete in the international market due largely to its backward technology and high cost of doing business in Africa which is exacerbated by official corruption and failed infrastructure.

Above all, the continent's position in the "digital divide" defined as the inequalities created by ICT availability, affordability, access and capacity" (Dhanapala, 2001:3), is most worrisome. Information drawn from several editions of the UNDP's Human Development Report indicates that as late as 8 years ago, there was an estimated 143million Internet users with numbers expected to rise to 700 million by 2004. As at 2001, some 88% of all users of Internet lived in industrialized countries which harbour less than 15% of the world's population. Within the same period under review, half of the world's population has never made a phone call in their lives and most of them are in Africa. Specifically, the norm in the developed world is 2 phones per person; but in Africa we have less than 14 million phones for its population of not less than 650,000,000 people (Dhanapala, 2001).

The US has more computers than the rest of the world combined, and Thailand has more cellular phones than the whole of Africa. As at 1990, over 90% of data on Africa was stored in Europe and the US (Choice, June 2000). Yet the consensus is quite overwhelming in development circles that a substantial share of GDP growth is attributable to the information technology sector in the ‘new economy’ emerging in the industrialized countries (d’Orville, 2000:8, The Economist, September 23-29, 2006). It is for this reason that African scholars, economic elite and political leadership should define an alternative ideological and institutional framework within which Africa’s development and self-determination can be achieved. This is because, African people and states can still assert relevance in a globalized world, if its leadership has the right type of will and vision.

To start with, in order to meet the challenges of globalization, African states need to rethink their institutionalized linkages with Europe such as ACP-EU partnership and seek for more inward – looking solutions (Odock, 2002:1).

Secondly, among the doctrinal thrust of the new globalization are trade liberalization, minimal government intervention and free reign of market forces. When these are in place, free market economist asserts that the foundation for prosperity of nations would have been laid. On the contrary, the lessons of history are quite different, and African leaders must be willing to learn them fast. All developed nations at some point of their journey to economic development adopted protectionist policies of some sort and Africa should not be different. Herman (2002:4) was substantially right when he observed that:

*The claim of its (globalization) proponents that free trade is the route to economic growth is also confuted by longer historic experience: no country, past or present, has taken off into sustained economic growth and moved from economic backwardness to modernity without large-scale government protection and subsidization of infant industries and other modes of insulation from domination by powerful outsiders. This include Japan, Germany, South Korea, and Taiwan, all highly protectionist of their early take off phases of their growth process.*

Even till date, some of these countries still subsidize agricultural production and adopt protectionist policies for some sectors of their economies. The recent row over the US protectionist policy on Chinese steel and budget a reduction on key economic exchanges with Mexico are cases in point. What this suggests is that African leader must take the sermon on trade liberalization with a pinch of salt. For “imprudent liberalization”, Rugumanu (2000:56) notes, is likely to create problems of balance of payment, revenue losses to government, de-industrialization and massive unemployment.

Thirdly, as mentioned earlier, because of the high cost of doing business in Africa and technological backwardness, it could be impossible for African products to compete favourably with imported products. A sensible approach would be one which encourages local industries through the liberalization of imports of industrial machines and the encouragement of foreign companies to invest in Africa through tax incentives while at the same time applying selective and time – bound protection on national industries.

Fourthly, African states and governments must adopt reality – informed public policies through an increase in public spending on infrastructure. As earlier pointed out, the social and physical infrastructures in Africa have either collapsed or are non-existing. This, as we mentioned, increases the cost of doing business in Africa, which makes Africa an unattractive clime for investment. If the trend must be reversed, it is my position in this paper that contrary to what the market fundamentalists have been saying; African governments must increase their budgets on infrastructural provisions. This may be seen as social provisioning role; neo-liberal economists insist the state should have no hand in. The fact, however, remains that his holds out the potential for stimulating businesses in Africa – and there can be no better way to see this but as an investment.

Fifthly, closely related to this is a need to increase spending on Information and Communication Technology (ICT). The new world economy is basically technology driven. The phenomenal contribution of ICT to GDP growth in the new world economy is a settled fact. Yet, among the “digital have-nots”, Africa’s position is quite prominent. The way to go is to invest heavily on information and communications technology.

Sixthly, Official Development Assistance (ODA) to Africa will have to be substantially increased. Unfortunately, Africa’s share of ODA continues to dwindle since the end of the cold war. Again, the world will have to see ODA not just as grants on humanitarian grounds, but as one way of stabilizing a world that has increasingly become a global village.

Furthermore, in the age of globalization, which has widened the lacuna between the rich and poor countries of the world (Martin Khor, 2000:1), African leaders must find a solution to the problems of the various political crises and conflicts which orchestrate and enshrine political instability prevalent in the continent for more than two decades now. Mechanisms should be devised for conflict prevention, management and resolution, standards of accountability, transparency, participatory governance, corporate governance should be developed, and capacity built in all sectors at the national, sub-regional and continental levels (Omoweh, 2003).

Finally, political corruption and economic crimes against the continent both in the public and private realms must be fought on all fronts by the African governing and political elite. Corruption has been singled out as one of the most deleterious factors to the socio-economic, political development and self – image of any society. African leaders must use new continent - wide initiative like Peer Review Mechanism and NEPAD to scale down corruption in the public domain so as to achieve self – determination. The war against corruption must begin from the top so that state resources which are pillaged and stashed in foreign banks by political leaders can be applied to critical areas of the economies of African states, which impinge directly on the social well-being of the people (Olufayo, Olu –Olu 2006:183-187).

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