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# Africa in the age of globalisation

**Igwe, Dickson Ogbonnaya**

Department of Criminology and Security Studies, School of Arts and Social Sciences, National Open University of Nigeria, 14/16 Ahmadu Bello Way, Victoria Island, Lagos State, Nigeria.  
E-mail: [igwedickson@yahoo.com](mailto:igwedickson@yahoo.com), [queenethdxn@yahoo.com](mailto:queenethdxn@yahoo.com).

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**The paper examine the ways in which globalization of Africa`s social and political economy is impacting on African development project. It explores the local-national-global nexus as an element of the changing face of the international political economy. The study first deals with the conceptual issues, and settles the question of how globalisation is affecting African development as well as Africa`s response to it. Afterwards, it was burdened by Africa`s intercourse with the Multinational Corporations, where Transnational corporations as international intervention agencies within and outside Africa are placed on the beam, with the intention to critically appraise and establish who in the transaction, is losing what? And who is gaining what? In the light of crisis of development in Africa, how has this bargain undermined or reinforced African development agenda? The crux of the paper addresses why changes ushered in by the forces of globalization is not mitigating African developmental challenges. Conclusively, the study captures the import of the transformations occurring in Africa`s social formation, and the prospects for the future, bearing in mind the possibilities and obstacles thrown up by these changes.**

**Key words:** Globalization, development challenges, intervention agencies, African response, African development.

## INTRODUCTION

African countries have benefited relatively less from the positive effects of globalization than other parts of the world in terms of economic growth and development due to exploitation and corruption. Following largely an inward-oriented development strategy in the early decades of the post-independence period, the majority of African countries failed to take advantage of the opportunities provided by the dynamic growth impetus associated with globalisation in the 1970s and 1980s. Instead of becoming more integrated into the world economy, they were largely marginalised and experienced slow growth and stagnation.

As a result, the incidence and depth of poverty has risen in the region. The number of poor, measured in income poverty based on the US\$1 a day international poverty line, increased in Africa, almost doubling from 164 million in 1981 to 313 million in 2001. In terms of the headcount ratio, the poverty incidence in Africa is 46% in 2007-the highest the world. Poverty in Africa is both most prevalent and severe in rural areas. Poverty measured in terms of non-income indicators such as health and education has not improved much either over the past 15 to 20 years in the region. This corroborates earlier

finding by Sachs` (2005) contained in the report of the UN Millennium Project that presents a very bleak picture of the African predicament, including the following facts and figures on the faces of poverty in Africa: in 2001, 77% of the total population of sub-Saharan African lived below the poverty line of US \$ 2.15 a day. The region has under child mortality rate of more than 120% per 1000 births. More than 40% of the urban population live in slums, and have no basic sanitation, the same percentage account also for those who cannot obtain sufficient food each day expressing the prevalence of wide spread hunger.

However, we need to explain the failure of those African countries earning billions of Dollars in export revenue each year, and whose leaders are apparently committed to the Millennium Development Goals (MOGS), to increase their capacity to reduce poverty. According to Nzongola-Ntalaja (2006), the roots of this crisis of development are surely to be found in both the internal and external contradictions of African states Contextually, poverty, demographic pressures and insufficient investment in public health care inflate levels and ratios of maternal and neonatal mortality in Nigeria which is Africa`s most populous country, with 148 million

inhabitants in 2007 (Igwe, 2010). According to the Development Indicators 2007, published by the World Bank, more than 70% of Nigerians live on less than US\$1 per day, which impairs their ability to afford health care.

With growing recognition of the need to grow faster, most African countries have increasingly searched for ways to accelerate their participation in the global economy over the past two decades. Indeed, most economies in Africa significantly liberalized their trade and investment policy regimes as part of structural adjustment programs (SAP) since the mid 1980s (Smith, 2003).

However, in spite of this, Africa's share of total world trade has fallen between 1980 and 2002: Africa's share of world exports falling from about 6 to 1.5% (World Bank, 2000). Many countries in Africa have also intensified their effort to attract foreign direct investment (FDI) with various fiscal and other incentive measures (World Bank, 2000). Yet, FDI flow to the region so far has been largely limited to extraction of oil and other natural resources. Africa attracts only around 6% of total net FDI inflows to developing countries in 2004 (UN, 2001). The recent upturn in economic growth recorded in many natural resources-rich economies in Africa is closely associated with the price hike of oil and mineral commodities in the world market. The sustainability of growth rates of 6 to 7% recently observed in some African economies such as Botswana, Ghana and South Africa (Nissanke and Torbecke, 2007) will be dependent on the degree to which commodity booms are used purposely for diversification and transformation of economic and trade structures as well as human and institutional capacity building.

African conditions produce additional reasons why the analysis of the state is necessary for an understanding of globalization in Africa and other developing countries. First, there is the legacy of colonialism which experts recognised to be a formative influence on the contemporary state in developing countries. The key question posed here is whether the post-colonial state can develop the attributes of a pluralist political system or a distinctive relationship to new class formations. In answering the question, Babawale (2006) posited that corruption and mismanagement from post-independent elites who had more allegiance to the metropolitan powers at the expense of African interest, the structural distortion arising from mono-cultural African economies and the domination of the economy by foreign forces compounded the crisis of new class formation. Consequently, rising unemployment, increasing debt burden and galloping inflation began to characterise the economy especially beginning from the 1980s (Nissanke and Thorbecke, 2006). This crisis forced the operators of the state to embark on some palliative measures like debt rescheduling, negotiation with creditors which later led to an adoption of the harsh IMF and World Bank inspired programme known as structural adjustment programme

(SAP)

Contemporary globalization is seen as a multi-dimensional process cutting across the economy, governance, culture and the civil society leading to the development of global governmental and non-governmental networks. Such processes have compressed time and space, resulting in a global political economy that is increasingly integrated and in a state of perpetual change. Principally, the economic dimension is seen as constituting the Rubicon upon which the current globalisation process thrives. The influence of the economic process is so pervasive that the globalisation phenomenon is therefore equated with the macro-economy dimensions of trade flows, mercerisation, capital flows, technological transfers and the dominance of transactional corporation. Also the new information and communication technology (ICT) constitutes key factors upon which the whole process is unfolding. This paper is pushing for market economic integration after human and institutional capacity building as the forerunner to economic differentiation and access to the benefits of global economy.

## CONCEPTUALISATION OF GLOBALIZATION

At the turn of the new millennium, the world continues to be configured and reconfigured by global and local power hegemonies wielding their clout on nation state. Captured in the catchall term 'globalization', there has been an increased transnationalization of production and finance and an ongoing move towards the globalization of capital (Bina and Yaghmaian, 1991). In its present mythic and ideological representations, the [globalisation] concept serves to reify a global economic system dominated by large institutional investors and transnational firms who control the bulk of the world's productive assets and are the principal influences in world trade and financial markets (Gill, 1995). In this context, however, how the developing world 'fits' with globalization, and how or in what way the underdeveloped can benefit from globalization is an intense area of debate (Smith, 2003).

As globalisation occurred with rapidity in recent decades, has inequality in the world increased? The answer is mired in debate. If, however, we take a very long run view, the answer becomes much more transparent. Over the last five centuries, the world has become more globalised and much more prosperous, and, if we consider inter-regional inequality, it is clear that inequality has grown as well. Some of the basic information is on display in Table 1.

Though there is scope for debate about how global inter-regional inequality has gone over the last two or three decades, the overall trend, viewed over a long stretch of time and measured as the ratio between the richest and the poorest regions, is that of unequivocal deterioration. Using a specific carving of the world, the

**Table 1.** Levels of GDP per capital, 1500-1998 (1990 PPP US\$).

	1500	1700	1913	1998
U.S.A	400	527	5,301	27,331
Sweden	695	977	3,096	18,685
U.K.	714	1,250	4,921	18,714
Japan	500	570	1,387	20,413
India	550	550	673	1,746
China	600	600	552	3,117
Africa	400	400	585	1,368
Ratio of richest to poorest	1:8:1	3:1:1	9:4:1	20:1

Source: Madison, A. (2001) *The World economy: A millennial Perspective*, Paris: OECD.

richest region was 1:8 times richer than the poorest region half a millennium ago, whereas, currently, the richest region has a per capita income that is 20 times the income of the poorest region. And viewed in large strides of time the deterioration has been monotonic.

What has happened in recent times remains more controversial but no matter how that debate is settled, it seems easy to argue that there is reason for concern. First, if a sizeable population feels increasingly marginalised because it finds itself becoming poor relative to global wealth, this is bound to stoke political volatility. Secondly, no matter what has been the trajectory and no matter what its connection to globalisation, the level of inequality that we see today, is far too large for complacency.

A deeper reflection and analysis of the African predicament does indicate that the failure of the post-colonial state to live up to its people's expectations is due to the disconnect of Africa's existential realities from their root in policy planning and implementation as well as the displacement of democratic regimes by authoritarian regime thereby excluding Africa from economically and politically taking their destiny in their hands. For these reasons, post-colonial rules have lacked the legitimacy, responsibility and responsiveness needed to transform the economic base and the superstructure needed to set African nation states on the part of productivity in order to serve the deepest aspirations of their people instead of the interest of the governing elites and those of their foreign allies (Smith, 2003). This contradiction has in no small measure hampered and distorted human and institutional capacity building that would have fostered productivity and competitiveness of the continent in the global market. There is no doubt that sustained poverty reduction requires economic growth driven by productivity and global competitiveness.

However, the pattern of growth does significantly affect the rate of poverty reduction (Round, 2007). In this context, it can be argued therefore, that Africa's growth has been distinctly against the poor not only in terms of its ability to deliver the required growth rate to ensure that the poor could benefit from economic growth, but also in

terms of its structure. Economic growth in Africa where it has occurred has not been translated into significant poverty reduction. Critically, the nature and pattern of integration into the global economy in Africa as well as domestic conditions has not been conducive to generating virtuous cycles of globalisation-induced growth as generally observed in Asia. Africa has paid a high price for its neglect of agriculture which continues to be the Achilles' heel hindering the take off into sustained growth in many of the poorest and least developed countries.

In most of East Asia, the structural transformation of their economies has been considerably facilitated by the integration globalisation process (Nissanke and Thorbecke, 2008). The growth-accompanied by a substantial reduction of abject poverty-in East Asia can be explained in terms of the region-wide comparative advantage recycling in production and export of labour-intensive goods. Moreover, in most of East Asia, the pro-poor pattern of public expenditure in favour of the rural poor and the agricultural sector during early stages of development produced and sustained the "shared" growth process. There were concerted efforts on the part of governments to facilitate building primary assets of the poor through such measures as an equitable distribution of land (through appropriate land reforms); extensive public provision of free and universal primary education; promotion of small -scale enterprises and development of rural infrastructure- roads, irrigation, schools, agricultural support outposts, health stations and irrigation systems.

In contrast, the high susceptibility and vulnerability to exogenous shocks through its fragile trade linkage may have left Africa behind and suffering from vicious cycles of globalization induced decline. Many parts of Africa remain isolated from global markets and the global community as the region's access to information and technology is limited. There is some evidence to suggest that in Africa 'globalization may be associated with increasing inequality and (hence) with an increase in poverty' (Round, 2007).

In short, while globalization has made some contribution

to economic growth in Africa, it has not yet facilitated the process of structural transformation required for countries in Africa to reach the take off stage and accelerate economic development and poverty reduction. Instead, globalization has tended to increase intra-country inequality and has done very little to reduce poverty. Naturally, the impact of globalization on poverty is extremely context-specific. In general, however, the limited scope of globalization in Africa appears to be the result of a combination of poor initial conditions, such as fundamental disadvantages of location (disease-prone tropical countries with a harsh environment); extremely under-developed physical infrastructure, and a related high risk investment climate. Progress on all these fronts will be necessary if Africa is to enjoy the potential benefits of globalization.

Globalization exploded with the opening of borders, the elimination of currency regulations and the rise of the intimacy which offers discrete forms of communication and anonymous transactions that suit international criminals. Since 1990, in Naim's (2006) words, the phenomenal spread of political reforms aimed to lower barriers to trade and investment, and the accelerated pace of technological change, have infused global commerce with unprecedented energy, illicit trade received the same boost for the same simple reasons.

Unfortunately, in Africa, it has been international, regional and local elites setting the pace and enjoying the gains of globalisation at the expense of other populations. These power elites have their own understanding of what globalization is, and largely set the agenda in response to the pressures from factors of globalization such as democratisation and SAP as a prelude to sustainable development.

Notwithstanding, African leaders have sought to craft a relationship with the North (developed world) to promote a developmental agenda which is based largely along neo-liberal lines. Algeria, Egypt, Nigeria, Senegal and South Africa have been at the forefront of this and their agenda was crystallized in Abuja, Nigeria on 23 October, 2001, when the New Partnership for Africa's Development (NEPAD) was launched (NEPAD, 2001). Consequently, the ideology of neo-liberalism is currently dominant at the elite level (Igwe, 2011). This has profound implications for how development is viewed as best pursued. Currently, a process of regionalization projects, at both the macro and micro-level, are reconfiguring parts of Africa as the continent's elites seek to promote economic integration as a means of latching onto what is perceived as the globalization juggernaut.

## **THEORETICAL CONSIDERATION OF GLOBALISATION AS CHANGE**

Karl Marx's perception of economic change reflecting in a corresponding change in social relation of super-

ordination and subordination amplifies the continuous dependency situation of African states who instead of been in control of global market the reverse is the case. This highlights the need for Africa to change not only their location within the economic power lever of globalisation but also change their perceived servitude to global economic and political competitiveness as means to end the age long stagnation of African development. It is against this backdrop that this study subscribes to the Hegelian perspective of change as a continuous process. Meaning that they must be concerted and consistent effort backed by will power to redirect the focus of African political and economic superstructure to be proactively productive and sustainable. Ruling class power according to Mark (1969) extends beyond specifically economic relationships. In terms of Marxian theory, the relationships of dominance and subordination in the infrastructure will be largely reproduced in the superstructure (Marx, 1969). Example, in capitalist society the unequal relationship between employers and employees will be reflected and legitimated in the legal system. A range of legal statutes protect the rights of property owners and in particular their right to a disproportionate share of the wealth produced by their employees. The various institutions of society are largely shaped by the infrastructure. Thus a capitalist infrastructure will produce a particular kind of educational system, a particular form of family structure, a particular form of democratic institutions, a particular form of electoral system, and so on. These institutions will serve to either stagnate change or reinforce the power and privilege of the ruling class. This stagnation brings about the inevitability of push for change. This is because any attempt to suppress peaceful change leads to invitation of violent change.

Karl Marx postulation was a reaction to the elite theory about the power elites and the dominant class' continuous quest to institutionalise their interest at the expense of the dominated. Marxian theory argued that relationship to the forces of production divide society into dominant and subordinate groups (Marx, 1969), as can be seen from the unequal relationship existing between the metropolitan states of the north and peripheral states of the southern hemisphere amplified by the forces of globalisation. Elite theory on the other hand, claims that the personal qualities of individuals separate rulers from the ruled (Mosca, 1960). The elite owe their position to the superiority of their personal characteristics. For example, they may possess considerable organizational ability, a talent which believed to be the basis for leadership. Or they may possess a high degree of cunning and intelligence, qualities which Pareto (1963) saw as one of the prerequisites of power. Later versions of elite theory place less emphasis on the personal qualities of the powerful and more on the institutional framework of society. They argue that the hierarchical organization of social institutions allows a minority to

monopolize power. At this point it is arguable that when the vast African resources both human and material are put into consideration, that there is no basis for Africa to be pushed squalor simply because it is taking its time to develop simply at its own pace. At least this theory has explained why the west clamour for western democracy is increasing because as an instrument of neo-colonial brainwash, Africa's embraces of western superstructure is a reinforcement of colonial domination and African dependency situation.

## GLOBALISATION AND AFRICA'S SITUATION

Globalization is more or less a wind of change that does Africa more harm than good because it emphasis unequal yoking of two parallel political economies operating at different frequencies for survival. For instance, Africa's balance of payment is not encouraging at all due to high debt overhang and declining institutional capacity and capacity utilization. Foreign owned companies still dominate the private sectors, with state owned enterprises or parastatals increasingly playing a minor role. A recent study by the World Bank showed that the most productive companies in, for example, Nigeria, are those owned by multinational corporations or by non-African industrialists, including Indians, Chinese, and Lebanese (World Bank, 2002). Because corrupt power elites obstruct the operations of industry and divert profits to elite consumption and capital flight, Africa's manufacturing industries are unable to grow and, therefore, create employment for all types of workers.

Historically, when colonies in Africa and Asia became independent, their political leaders were faced with two main challenges: achieving domestic political stability and transforming their economies from the production of raw materials to industrial production. The outcome of that project is today a matter of general knowledge. Although Asian countries went through many conflicts in the early years, by 1965 most of those conflicts had been resolved. Asian leaders turned to the second challenge of developing and diversifying their countries' economies. Africa's story is far more mixed. Many old conflicts, including wars in Sudan, Ethiopia, and Eritrea, continue. More recent conflicts, such as the genocide in Rwanda, continue to erupt on a scale and ferocity that is difficult to fathom. Internal conflict has split Côte d'Ivoire, once the crown jewel of West Africa into two. With few exceptions, Africa's political elites have driven their countries' economies backwards.

More precariously, the argument is advanced that we are seeing a trend towards the globalisation of social class or social movements. Writers like Gill (1995), as well as Onyekpe (2004) who strongly identified globalisation with the trajectory of world capitalism, point to its consequences for social class formation and identification. On this argument, the effect of globalising

trends is to create polarised social division that transcends national frontiers. This also suggests that there is a strong community of interest between the rich people of rich countries and the rich people of the poor countries. The governments of poor countries are virtually all controlled by rich people who have more in common with rich people who control--corporations than they have with their own poverty-stricken countrymen (UNIDO, 2004).

## WHAT HAS GONE WRONG IN AFRICA?

The root causes of Africa's problem are in the place of global, regional and local power elites who have misused and squandered the economic surplus generated by the African continent over the last 40 years. African political elites have exploited their position in order to:

- (i) Bolster their standard of living to Western levels,
- (ii) Undertake loss-making industrialization projects that were not supported by the necessary technical, managerial, and educational development,
- (iii) Transfer vast amounts of money from agriculture and mineral extraction to overseas private bank accounts, while borrowing vast amounts from developed countries.

What were the results of those predatory policies? According to the World Bank and the International Monetary Fund, which have become Africa's fairy godparents, Africans are poor and getting poorer. The World Bank noted, "despite gains in the second half of the 1990s, Sub-Saharan Africa . . . enters the 21st century with many of the world's poorest countries. Average per capita income is lower than at the end of the 1960s. Incomes, assets, and access to essential services are unequally distributed. And the region contains a growing share of the world's absolute poor, who have little power to influence the allocation of resources." (World Bank, 2000). Other researchers have corroborated the World Bank's observations. According to the National Bureau of Economic Research, Thirty-six percent of the region's population lives in economies that in 1995 had not regained the per capita income levels first achieved before 1960. Another six percent are below levels first achieved by 1970, 41 percent below 1980 levels and 11 percent below 1990 levels. Only 35 million people reside in nations that had higher incomes in 1995 than they had ever reached before. In fact, many people in sub-Saharan Africa have fallen so far down the economic scale that it is hard to imagine them getting poorer.

The origins of the Predatory Political Elites in Africa are not farfetched. African states as we know them today were not created by Africans. With a few exceptions, such as Egypt, Ethiopia, Liberia, and Sierra Leone, they were created by European imperial powers that had little

regard for ethnic and religious differences among Africans. The arbitrary nature of African boundaries explains in part why over the past 30 years Africa has experienced civil wars, intertribal wars, violent communal conflicts and pogroms, wars of secession, and more recently, in the Great Lakes region of Central Africa and in parts of the Sudan, genocide and ethnic cleansing. Those conflicts have been accompanied by vast population movements in and out of several national boundaries. As a result, Africa is host to the largest number of refugees and internally displaced persons in the world.

The states that the African political elites inherited from the colonial powers often served as tools of political oppression but also of economic exploitation through such instruments as poll taxes and forced labor on plantations, mines, and infrastructure projects. The introduction of cash crops provided the state with revenue that the colonialists used to consolidate their power over the local populations. State corporations or favored private monopolies from the colonial power's home country bought cash crops from the peasants. Either way, the farmers got the worse end of the bargain, as they were paid at far below world market prices.

The political elites that took over African countries in the 1960s saw government as a source of personal enrichment. One of the great pioneers of this scramble for power on the eve of Africa's independence, Ghana's Kwame Nkrumah, urged the emerging political elites: "seek ye first the political kingdom and all else shall be given" (Yergin and Stanislaw, 1998). The history of Africa since the 1960s is thus the history of groups of elites seeking the "political kingdom," with the primary purpose of enriching themselves. Built into that quest for wealth was the exclusion of outsiders, including both the masses and the weaker parts of the political elite. Competition for economic resources exacerbated the ethnic and religious tensions that were already present. That explains in part why there have been so many intrastate conflicts in Africa.

During the past 50 years there have been only two interstate wars among Africa countries—the war between Tanzania and Uganda in the 1970s and the war between Ethiopia and Eritrea in the 1990s (and the latter war could be considered a continuation of the secessionist conflict between Eritreans and Ethiopians). But intrastate conflicts have been legion, fragmenting African states into warring factions and parties. In many countries, internal conflicts have weakened the state to the point where African governments can no longer perform essential services, including enforcement of the rule of law.

## **PREDATORY GLOBALIZATION CHALLENGED**

As indicated earlier, globalization has engendered

widespread adverse effects on political, economic, social welfare, and human rights; has engendered inequalities and widened poverty within and between states; and has unleashed an attack on the welfare state. Indeed, a United Nations Development Program (UNDP) report confirms the widening gap between rich and poor states as well as between peoples in this new globalized economy (UNDP, 1999). In this respect, a growing body of critical work has sought to establish and illuminate the dangers associated with the processes of globalization. Poku's (2000) discourse on the inequalities associated with globalization is illustrative of the critiques of globalization. In clear terms, he presents an analysis that exposes the limits of globalization:

*"While there is some question as to whether globalization represents the end, or the fulfilment, of a Eurocentric modernization, there is little question about its differential impact on people and societies across the globe. Yet, in the literature, the euphoria over the process has served to disguise the very real social and economic inequalities that are not merely leftovers from the past, but are products of the new developments. Most obviously, poverty, mass unemployment and inequality have grown alongside advancements in technological developments, rapid expansion of trade, investments and commerce" (p. 39).*

Continuing on this trend of establishing the limits of globalization through the use of a critical lens, the critics confront the issue of inequalities in unequivocal terms. Thus, Kofman and Youngs (1996) demonstrate that "far from offering positive possibilities to all, globalization signals new forms of oppression for many... that globalization represents changes in the operation of global capitalism which, if anything, has expanded its potential for producing inequalities". The subtleties of these analyses are forcefully reinforced and emphasized by what Scholte (1996) refers to as the "worrying circumstances" of globalization as a prelude to articulating a critical counter response:

*"To date, globalization has often perpetuated poverty, widened material inequalities, increased ecological degradation, sustained militarism, fragmented communities, marginalized subordinated groups, fed intolerance and deepened crises of democracy .... Across most of the world, pressures of global capitalism have brought a major deterioration in working conditions and social protection. In spite of the impressive rise of transnational feminism, women have borne by far the greater brunt of global restructuring, and global governance has generally been little less patriarchal than sovereign statehood.... Not only do democratic institutions continue to be quite precarious in many countries, but few mechanisms are in place to ensure participation, representativeness, debate, transparency,*

*constitutionality and accountability*" (p. 53).

By exposing the limits of the discourses and processes of globalization, critics are able to set the stage for articulating a new political response. These accounts of the inequalities engendered by globalization are also vital in providing a springboard for Richard Falk's challenge. According to Falk (1999), "it is the cumulative adverse effects of these moves on human well-being that underlies this analysis of globalization in terms of inequality and power. Falk's central argument about contesting globalization is cast in terms beyond the state. From his perspective, the exclusionary practices of the process of globalization-from-above need to be located in the grassroots response of globalization-from-below. Here is a sampling of Falk's (1999) main ideas:

*"The historical unfolding of economic globalization in recent decades has been accompanied by the ascendancy of a group of ideas associated with the world picture of "neo-liberalism." This ideological outlook is often somewhat coyly referred to as "the Washington Consensus," which accurately highlights the "made in the USA" packaging of the neo-liberal scheme of things. This neo-liberal scheme points in the general direction of autonomous markets and facilitative states".*

Furthermore, Falk (1999) is at pains to point out that these ideological and operational aspects of globalization are associated with the way in which transnational market forces dominate the policy scene, including the significant co-optation of state power. This pattern of development is identified here, as "globalization-from-above," a set of forces and legitimating ideas that is in many respects located beyond the effective reach of territorial authority and that has enlisted most governments as tacit partners

Elsewhere, Falk (1999) begins to lay out the framework for his critique by pointing out thus: But globalization, so conceived, has generated criticism and resistance, both of a local, grass-roots variety, based on the concreteness of the specifics of time and place-for example, the siting of a dam or a nuclear power plant or the destruction of a forest-and on a transnational basis, involving the linking of knowledge and political action in hundreds of civil initiatives. It is this latter aggregate of phenomena that is described here under the rubric of "globalization-from-below." (p. 130) In this way, Falk (1999) reinforces the dynamics of an action-reaction phenomenon by "drawing a basic dividing line between global market forces identified as 'globalization-from-above' and a set of oppositional responses in the third system of social activism that is identified as 'globalization-from-below'" (p. 138).

Significantly, Falk locates this resistance to the adverse effects of the globalizing logic of the market and capital, what he refers to as globalization-from-above, as emanating from civil society. Thus, Falk's (1999)

objective is "to call positive attention to a series of countermoves to neo-liberalism, especially those whose source is situated within civil society" (p. 2). Falk's goal is to link these countermoves to globalization-from-above at the local, national, and global levels into strong transnational pressures to ameliorate the adverse and detrimental costs of globalization.

In the final analysis, Falk's (1999) contribution lies in his effort to rescue globalization from its predatory tendencies that, if left unchecked, would lead to its unravelling. Hence, one detects that his strategy is to organize effective counter resistance as a way to pressure "those representing 'globalization-from-above' to seek accommodation". The questions worth exploring, especially given Falk's emphasis on the local, national, and global in the politics of resistance, are the implications of his countermovement for Africa. This issue informs the debate in the last section of the article.

## CONCLUDING REMARKS

The profit-seeking market economy has spread globally and in the process demonstrated its efficiency and dynamism. This global outlook has been made possible by progressive dismantling of barriers to trade and capital mobility, fundamental technological advances and steadily declining costs of communication, transportation and computing. The integrative logic of globalization, therefore, seems inexorable and its momentum is irresistible. But the opportunities of this global system of interaction remain highly concentrated among the industrialized countries to the exclusion of the majority of developing nations. There is also anxiety that the sovereignty of states is at stake as globalization appears to question their rights to independent decision-making. Creating an inclusive global market is the major challenge of globalization. In this respect, the industrialized nations must choose between a global market driven only by calculations of profit and one, which offers prosperity to all countries through the instrumentality of global economic solidarity. That solidarity is needed with developed nations opening their markets, providing deeper and faster debt relief and giving more and better focused development assistance to developing countries. As the "market juggernaut" is rolling at full steam, new pragmatic approaches to development challenges, consistent with interdependent actions are equally needed in order to bridge the North-South divide and place globalization at the service of justice and prosperity for all nations.

Despite the increase in flows of the three key elements of the globalisation process: trade, finance, and technology across the global economy, poorest countries have very limited access to these elements. Economic distress at home is fuelling flows of people desperately

seeking better lives in the rich world, and is encouraging human trafficking particularly of women. Economic growth in Africa, as in the rest of the world, should depend on a vibrant private sector. But entrepreneurs in Africa, however, face daunting constraints from the state and foreign interests. They are prevented from creating wealth by predatory political elites that control the state. African political elites use marketing boards and taxation to divert agricultural savings to finance their own consumption and to strengthen the repressive apparatus of the state. Peasants, who constitute the core of the private sector in sub-Saharan Africa, are the biggest losers. In order for Africa to prosper, peasants need to become the real owners of their primary asset land over which they currently have no property rights.

Peasants must also be given direct access to world markets. They must be able to auction their cash crops, including coffee, tea, cotton, sugar, cocoa, and rubber, freely rather than being forced to sell them to state controlled marketing boards at discounted prices. In that respect, South Africa is unique in the region. The country does not have a large disenfranchised peasantry. Most of South Africa's private sector belongs to South Africans, who also have a say in the political process. The future will show whether those factors will constrain the power of the South African political elite in a manner that is sufficient to safeguard South Africa's growth potential.

## RECOMMENDATION

Development in sub-Saharan Africa requires a new type of democracy-one that empowers not just the political elite but sub-Saharan Africa's private-sector producers as well. It is therefore necessary that peasants, who constitute the core of the private sector in sub-Saharan Africa, become the real owners of their primary asset: land. In addition to generating wealth, private ownership of land is the only way in which rampant deforestation and accelerating desertification can be addressed. That means that freehold must be introduced and the so-called communal land tenure system, which is really state ownership of land, ought to be abolished. Moreover, peasants must gain direct access to world markets. The producers must be able to auction their own cash crops, including coffee, tea, cotton, sugar, cocoa, and rubber, rather than be forced to sell them to state-controlled marketing boards.

Sub-Saharan Africa needs new financial institutions that are independent of the political elite and can address the financial needs not only of peasants, but of other small- to medium-scale producers as well. Those could be cooperatives, credit unions, savings banks, and so on. In addition to providing financial services, those institutions could undertake all the other technical services that are not being provided at present by African governments, such as crop research, extension services,

livestock improvement, storage, transportation, distribution, and many other services that would make agriculture in sub-Saharan Africa more productive. Foreign donors could play a constructive role by helping such institutions with expertise and management and shielding them from predation by Africa's political elite. The aforementioned changes could for the first time bring into being a capitalist market economy that answers to the needs of African producers and consumers.

If NEPAD is to contribute to Africa's economic development, it must help redesign Africa's political economy so that it protects the rights of private-sector actors instead of rent-seeking political elites. NEPAD must devote more of its time to addressing fundamental issues related to African political economy rather than impressing foreign governments, such as those in the G8, with inflated accounts of democratization on the African continent. Above all, Africa should go back to its root and stimulate change from there so that when the circle of dialectics is completed the synthesis will be home grown and home appreciated.

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