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Globalization and Paradoxical Position Of Africa In The World Economy

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Abstract :

Globalization as the process of intensification of economic, political, social and cultural relations across international boundaries aimed at the transcendental homogenization of political and socio-economic order across the globe. Theoretically, it is expected that such interactions would bring about mutual benefit, halt economic injustice and engender a new economic and political order in the world. However, in the political economy of nation-states, its impact has been a mixed bag of the good, the bad and the ugly. Within the framework of dependency and structural theories of imperialism, an eclectic approach, the paper argued that the position of Africa in world economy is that of a paradox. While there is increasing world involvement in the African economy, there is at the same time a decreasing economic importance of Africa. By virtue of their dependent economy, globalization as presently pursued has brought about more penetration of African markets without corresponding increase in investment and job creation. It concludes that Africa and by implication Nigeria, will continue to be exploited by the developed countries without hope of coming out of vicious circle of poverty and underdevelopment unless conscious efforts are made to look inward through self-reliant and nationalist policies and programmes of development.

Key Words: Development, Economy, Exploitation, Globalization, Sustainability

Introduction

Globalization as the process of intensification of economic, political, social and cultural relations across international boundaries aimed at the transcendental homogenization of political and socio-economic theory across the globe. In the academic and business cycles, it is common to hear scholars and businessmen talk about the irresistible force and influence of globalization. While the national frontiers dwindle away, the world becomes a global village through advance technology. Indeed, globalization is said to have the magic wind to confront and resolve Africa's underdevelopment by forging "closer economic integration of countries of the world through the increased inflow of goods and services, capital and even labour (See Stiglitz, 2007).

An examination of the evolving trend in the World would suggests better and more organized movement of goods, services, ideas, knowledge, culture, etc., it would appear the impact of these developments strategy on Africa has not been given adequate attention in order to expose the pit falls in its structural and procedural framework. It is necessary therefore, to interrogate these issues because they affect the development agenda of Africa. Thus, if African states are to be fully integrated into the global system not as passive but active participants, and partaker of its benefits, we must explore how the structure and framework of globalization attend to this process.

The main argument germen to the paper is that globalization has become *fait accompli.* But rather than dissipate time and energy in questioning its desirability for Africa, we ought to spend more time in examining Africa's position in the world economy within the ambit of a globalized system. It is against this backdrop that the paper examines issues of globalization, the paradoxical position of Africa in the world economy and its correlate with the development crisis in Africa.

Methodology

The paper adopts qualitative research design to gain an insight into the nature and character of globalization in Africa and its correlates with sustainable development. The researchers used descriptive analysis to examine the paradoxical position of Africa in the world economy. The paper which is theoretical in nature draws its argument basically from secondary data which include journal publications, textbooks and internet sources. Statistical data were also used where necessary as empirical evidence portraying our position. To improve on the reliability and validity of the paper, multiple secondary sources were used to minimize risk of error.

To analyze issues raised in the paper, it is organized in the following sections. The first section, apart from introduction, explores conceptual and theoretical discourses that are central to the subject matter of the paper. The second examines the interface between globalization and Africa's political economy. The third chronicled steps to be taken to get Africans and Africa out of its present development crisis within the context of globalization and then conclusion.

Conceptual and Theoretical Underpinning

Concepts in social and management sciences do not easily lend themselves to universally agreed definitions. This makes every definition perhaps only relevant within the parameters set for a given investigation. This view is rightly supported by Babbie and Mouton (2001) that "we specify why we use particularly terms for the purpose of facilitating their contextual operationalization and comprehension." In the light of the foregoing, some concepts are central to the discourse in this paper.

One of such concept is globalization. Globalization as a concept belongs to the “tribe” of contested concepts which generate dispute over their actual meaning. Yet, globalization as a concept is not new, the difference between the old and new are in the rapidity, depth and intensity at which global market are been penetrated and integrated while the hand of finance capital seems to reign supreme (See for example Stiglitz, 2007; Ihonvbere 2002). To De Vries (2001), it is a new ideology of capitalism while some describe it as a “new form of imperialism”.

According to Cerny (1999) globalization is “the convergence of economics and politics across borders into single dominant model, a variant of liberal capitalism aligned with neo-liberal politics” or “the intersection of different form of both convergence and divergence”. Giddens (in Sezen, 2002) interprets these developments as “the emergence of a world economy, a world polity and perhaps a culture and the emergence of a world society”. From a general point of view, globalization can be defined as a process that seeks to bring people together from around the world to interact and cooperate with one another with a view to improving the people’s well-being and welfare. From this perspective, it is clear that one of the aims of globalization is to ensure national and global human governance. Some scholars are of the view that globalization has more extended connotations than the proceeding one. For Stieglitz (2007), it embraces many things which include: “the international flow of ideas and knowledge, the sharing of cultures, global civil society and the global environmental movement.

The economic aspect of globalization is perhaps given greater attention and emphasis because of its putative benefits and losses to Africa and Africans. Radical political-economist Ihonvbere (2002:6) and Ake (1996) have all painted a gummy picture of globalization and other Western promoted ideological projects in Africa, such as Structural Adjustment Programmes (SAPs). Globalization is just a mere liberal or shorthand name for imperialism, domination, exploitation, marginalization, and the overall reproduction of the injustices, inequalities and poverty that characterized relations between the West and countries of South-South (Ihonvbere, 2002).

A diagnosis of the above submission reveals that the position of Africa in world economy in this globalized era is that of a paradox. By this, it meant that while there is increasing world involvement in African economy, there is at the same time a decreasing economic importance of Africa in the world economy. The later may be referred to as increased marginalization. The increased marginalization of Africa can be viewed in twofold: from the economic and political perspective.

Economically, Africa is no longer very important to the major actors in the world economy such as multi-national corporations, the economies of the major Western countries and even those of the newly industrializing countries of Korea, Taiwan, and Brazil etc. Africa produces a declining share of the world output of goods. Yet, the main commodities it produces are becoming less and less important or are being produce more effectively by the Asian countries. Nobody wants to learn and only few want to invest in Africa, except in the narrowly defined minerals enclave sectors, definitely not in manufacturing sector.

Africa's export levels particularly for non oil and gas products have remained relatively flat and in some cases declining while those of other developing countries have risen significantly. Corroborating this assertion, Ahmed Hamid, the commissioner for trade, customs, industry, mines and free movement at the Economic Commission of West African States (ECOWAS), recently posits that trade and investment from Africa to other parts of the world in the last two decades have been on the decline to 3percent. He went further to disclose that while global trade increased from $13 trillion in the year 2000 to estimated $30 trillion in 2010, Africa's share in the world trade has been on the decline since the 1980s (The Guardian November, 2013). The marginalization of African countries become even more obvious when their economic performance is compared with that of other low income countries of South Asia with which Africa has the most in common (See for example HDI, 2013).

Given the poor economic performance of Africa both substantially and comparatively, world business leaders have taken an increasing jaundiced view of Africa. Callaghy (1991) quoting one business executive, put it this way, "who cares about Africa, it is not important to us; leave it to IMF and the World Bank". It is along this line of though that Ake (1996) rightly argued that:

With the economic regression of Africa, relative to other regions of the world and the diminishing importance and relevance of Africa to the global economy particularly to the industrialized countries; the statistics of Africa's role in the global economy make the point well enough. Africa's share of exports in World trade which was only 2.4 percent in 1970 was down to 1.4 percent by 1990. Even its share of non-oil primary commodities fell from 7 percent to less than 4 percent in the same period.

Despite the prescripts of globalization, disinvestment in Africa has emerged as a new trend. For example, between 1980 and 1990, 139 British firms with industrial investment in Africa withdrew their holdings mostly from Zimbabwe, Nigeria and Kenya despite their efforts at economic reforms (Igbokwe-Ibeto, 2003). A number of African countries including Nigeria, Ghana and Kenya are attempting to attract new investment by creating export processing zones but with little success so far. The World Bank recognizes this fact that Africa's future in the global order is blink and uncertain. According to World Bank,

Sub-Saharan Africa will be falling further behind the rest of the World based on realistic projections of current policies and Africa's current depressed per-capital income level. While other developing countries and high income countries will see their average income levels triple by the year 2030, sub-

Saharan Africa's per-capital income will probably be only US ~~$~~ 400 by the year 2030 that of developing countries will probably reach US $ 2, 500 (in Ihonvbere 2002:6).

These statistics indicate that globalization as presently pursued is not in favour of Africa's development. And unless something is done to reposition and refocus the continent for socio-economic and political development, the continent will remain marginalized as currently witnessed.

The second aspect of Africa's marginalization is political strategic but with negative economic consequences. Africa has become less of interest to the major world power following the dramatic changes in the international arena in the 80s especially with the end of the Cold War that left a seriously weakened Soviet Union and liberated Eastern Europe; the dynamism of East Asian newly industrializing countries; and the pre-occupation of the Latin American debt crisis which unlike African debt is big enough to pose a serious threat to international financial stability. Corroborating this position, Kiplagat (in Callaghy, 1991) quoting a senior African diplomat succinctly puts it: "Eastern Europe is the sexiest beautiful girl while Africa is an old tattered lady. People are tired of Africa, so many countries so many wars". Yet, for most external business people, Africa has become a voracious sink hole that swallows their money with little or returns (in Callaghy, 1991).

In spite the marginalization of Africa as discussed above, the continent has become more tightly linked to the world economy. Evidentially is the continents extreme dependence on external public actors particularly the IMF and World Bank in the determination of African economic policy. The liberal or neo-classical thrust of this economic policy such as SAPs and its conditionalities is to push the continent towards more intense reliance on and integration with world economy. All these are directly linked to African debt crisis. The burden of external debt crisis and the resulting desperate need for foreign exchange have made African countries highly dependent on a variety of external actors all whom have used their position to encourage economic liberalization. This process is what some scholars such as Ake (1996:2) and Rodney (1976) have referred to, as the neo-colonialism, meaning intense dependence on IMF and the World Bank and major western countries for the design of economic packages and resources needed to implement them.

The primary purpose of these reform efforts is to integrate Africa economies more fully into the world economy by resurrecting and resuscitating the primary-export economies that existed at the time of independence and making them work better this time by creating a more liberal political economy nick named "globalization". An analysis of the above suggests that globalization is doing more harm than good to Africa. This could be the case because the enabling context to make it succeed in Africa such as competing economies and positive leadership are not there.

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Perhaps one reason for this quagmire in the continent is due to wrong prescription and model of development. In its contemporary usage, development has come to embrace growth, be it in economic, social, political, technological, cultural, demographic or even religious spheres of life. Lending support to this view, Rudeback (1997) captures the essence and philosophy of development as a:

Comprehensive process through which population recovers its own resources and put them to work according to its own cultural values in order to resolve its individual and collective problems by creating over a period of time a frame of life where each stage is better than the proceeding one.

Development is needed not only to enable citizens have higher standards of living and material advancement, but to achieve socio-economic and political transformation as well as attain technological feats over the environment. This orientation in the understanding of development is reinforced by the contribution of Seer cited in Igbokwe-Ibeto (2003:40). According to him, to determine whether development is taking place in a country, one need to ask what is happening to poverty, employment and inequality? If these variables have declined from high levels, then beyond doubt, this is a period of development for the country concerned. But if one or two of these variables have been growing worse especially if the three have, it would be strange to call the result development even if per capita income doubled.

Theoretically, it is expected that globalization will lead to better distribution of resources, enhance international trade and in the long run reduce inequality between counties of the West and those of the South-South and by implication reduce the hydra-headed poverty in Africa. However, these expectations are still farfetched due to the structure of the political economy dominated by capitalist system with its circle of economic boom and recessions. Lending support to this submission, the Director General of National Directorate of Employment (NDE) Mohammed Abubakar posits that globalization as presently pursed is unfair, unjust and unequal; a position earlier confirmed by International Labour Organization (ILO) in 2009. ILO went further to argue that for peace to reign in the world there must be new architecture of economic platform (The Guardian, November, 2013).

There are several theories put forward to elucidate Africa's stagnated position in the world economy and by implication development model. Dependency and structural theories of imperialism is two of such. They contend that years of domination of Africa by foreign power centre-periphery relations have led to the structural integration of Africa economies into the World capitalist system where they play a second fiddle. In their relationship with the West, African economies are assigned the role of (raw material) primary goods production while the metropolitan countries are to produce (finished goods) capital goods. The price and income differentials between the centre and periphery make the term of trade to be in favour of the centre. Thus, the global system as at presently is one that produces development at one end and generates underdevelopment at the other end. As Valenzuela and Valenzuela (1993) quoting Sunkel and Kdiollaz argued:

Both underdevelopment and development are aspects of the same phenomenon, both are historically simultaneous; both are linked functionally and therefore interact and condition each others mutually. This results in the division of the World between industrial, advanced or "central" countries and underdeveloped backward or "peripheral" countries.

Structural imperialism theory enable us direct our search light on the reasons behind the paradoxical position of Africa in the world economy where it play the role of second fiddle. Imperialism refers to the economic control and exploitation of foreign lands arising from the necessity for counteracting the impediments to the accumulation of capital engendered by internal contradiction of domestic capital economy (See for example Ake, 1981). An analysis of the foregoing statement reveals that imperialism is the manifestation of domination and inequality of all kinds and shape in the political-economic relationship between and among the Western countries and countries of the South-South with the former at advantage and the later at disadvantage.

In spite of its utility as an explanatory scheme, the dependency and structural theories of imperialism has been criticized for ignoring the role of internal crisis in Africa such as urban riots, political intolerance, militancy, ethno-religious crises such as Boko Haram, the clash between pre-capitalist and capitalist modes of production, etc. Also, knowing that no nation can survive in isolation of others, dependency apostles fail to explain how Africa can completely break any close ties with the West. However, there is no denying the fact that the global system is unequal, unjust and skewed in favour of the West. At this juncture, it is imperative to x-ray the interface between globalization and African political economy for a better understanding of the present globalization process and Africa's paradoxical status.

The Nexus of Globalization and Africa's Political Economy

Africa is not in its present state of development by accident. It took several epochal such as slavery, colonialism, neo-colonialism and its contemporary manifestation in the wings of globalization to arrest and perhaps retrogress development in Africa. Prior to European imperialist adventures into Africa, Africa was developing at its own pace. The integration of Africa into the World capitalist system has made the crisis in Africa "Structural, historical and totalizing" (See for example Valenzuda and Valenzuda, 1993).

Globalization use manifold mechanism for the massive drain of resources from Africa and other third world countries to developed nations. It is within this context that Igbokwe-Ibeto (2003:35) quoting Szentes logically admonished:

This summary of the result doubtless, dispels first of all the illusion that the gap between the advanced and the underdeveloped countries can be *substantially narrowed down by simply increasing the amount of aid and or by widening the market of traditional export products of the underdeveloped countries. As long as the influx of material and intellectual resources into underdeveloped countries is connected with an increasing outflow of resources which follows from the spontaneous mechanism of the capitalist world economic and the structural characteristics of the underdeveloped countries; and as long as in consequences of all these unequal distribution of the dynamic factors of growth is maintained, there is no hope for narrowing the gap or even of preventing its further widening.*

Thus, the global economic arrangement as presently pursued got its root from historical process of industrial revolution which sprang from Great Britain and spread to other parts of Europe and North America. As Gana (1986) stated:

With increasing industrial growth and relatively saturated markets, a number of European nations developed the policy of colonial expansion in order to secure new markets and additional sources of industrial raw materials. The expansion led to the gradual integration of the world economy. The creation of the world economic system towards the middle of the 19th century immensely reshaped trade relations and affected subsequent development potentials of the developing countries.

Indeed, the dependency and structural theories of imperialism earlier discussed shed more light on mechanism at work in the process of world economic integration. This was characterized by the expansion of European countries outwards Africa, Asia and Latin America. Productive activities of these continents are fundamentally directed to the satisfaction of the resources need of the West. This process has affected the rural economies of African nation states. Agriculture which was the main stay of the economy became largely organized to respond to the market needs of the West to the neglect of food production. Today, Africa is faced with food crisis, hunger and starvation.

In addition to agricultural exports, oil and gas and other mineral resources were and are still exploited to serve the requirements of the industries in the metropolitan Europe and North America. The improvement in transportation mode expanded world trade in primary commodities where transfer of material resources is in favour of industrialized nations who dominate the poorer feeder nations. This process of economic transfer was facilitated by trade agreement which favour the West. As rightly observed by Gana (1986), developed countries import most of raw materials from the developing areas duty-free but erect tariffs against processed goods. Yet, any attempt by developing countries to process their raw materials before export are actively obstructed by the tariff policies of the West. Consequently, in the process of capitalist domination, the various sectors of African economies are left disjointed without linkage with one another, especially in the areas of education, commerce, industry and even between regions, states and local governments (See for example Ujo, 1994)

Yet, in this era of globalization, the question that quickly comes to the front-burner is, have the expectations of globalization and the free market systems being realized? Years of implementation of SAPs in Africa and the IMF stabilization programme appear not to have made substantial changes to the economic crisis and political unrest in most African states. While some gains of globalization can be identified in improved communication, structural adjustment of politics with liberal democracy being the only "game" in town, emphasis on transparency and accountability in governance, etc.

The neo-liberal market reforms is determined to roll-back the state and allow market forces of demand and supply or private sector initiatives to propel African economies. Under globalization, the World's economies are expected to allocate resources more efficiently and curtail wasteful expenditures by government. However, there is increase in poverty due partly to closure of industries that cannot compete in the globalize system, neglect of the people, communities, rights, civil society, etc. have become the order of the day as a result of emphasis on speed in service delivery (See Ihonvbere, 2002).

The rentier nature of the African economy is anchored on distribution rather than developing its production technology for possible use in other areas of the economy. As Graf (1988) persuasively argued:

It severs the link between production and distribution. State revenues accrue from taxes or "rents" on production rather than from productive activities. This production depend however, on techniques, expertise, investments, and markets generated outside its territory controlled by the state. For this reason, practically all aspects of exploration, production and marketing are dominated by international corporations.

Also, in a globalize-system, the search for finite and infinite resources has intensified, with deleterious effect on the environment especially mineral producing communities. The environmental and human degradation in the Niger Delta region of Nigeria and the crisis and conflict they spawn are just tip of the ice-bag in the rising tide of human and environmental abuses going on across Africa. Ironically, the way and manner resources are sourced and exploited in Africa cannot be replicated in the West where laws against human and environmental rights abuse are strictly enforced.

In addition, globalization has not improved Africa's trade relations with the West and North-America. Essentially, primary products of the country be it oil or agricultural produce, have continue to suffer lower prices and dwindling foreign exchange earnings, in spite of the promises of efficient resource allocation and fair and just global economic system under globalization. The statistics on the economic condition of Africa states clarify this point. A summary of the points made above shows clearly that the future of

Africa's political economies is increasingly complicated.

Like every programme of action and activities, globalization has its benefits and short-comings. It therefore depends on how people apply its policies and programmes to achieve their goals. But many scholars in Africa are quick to point at its structural constraints (Gana, 1986; Ake, 1981). For them, globalization is another word for Western civilization. It is aimed at pursuing Western policies and cultural values such as free market economy and individualism. Others have noted that globalization has brought about pains, sorrow and marginalization of Africa. These explain the need for a new development paradigm in Africa.

One of the implication of the rentier state characterization is that the "economy becomes prone to crisis and shocks particularly in the prices of commodities in the World market and as a result instability. Also, the state becomes fragile or weak because of the limited scope of its autonomous economic actions which largely explain the externalization of its efforts to arrest the economic decline of the 80s and beyond ((see Osaghae, 2011).

The implication of these developments is that Africans appear to have lost confidence in their abilities to change their present situation without foreign assistance or control. It therefore, suggests that Africa is incapable of dynamic development, constantly responding to the needs of its people and appropriate for same, the benefits of its global interactions. Failure to change its conditions in any consistent manner means that a country or group of countries are dependent, that is, they have their economies conditioned by the development and expansion of another ((see Valenzuda and Valenzuda 1993).

In spite the fact that the political leadership in Africa is still riddled with corruption, the global system posses enormous constraints on its development. In all ramifications, globalization is not based on shared responsibility and mutual interest. What then is the way forward? That is what the following section seeks to address.

The Way Forward for Africa in this era Globalization

The consistent search for a new development model in Africa is therefore recognition of the fact that the old development strategies have failed. This is why the search for progressive paradigms that can enable Africa to achieve social progress should continue to be the priority in Africa social and management sciences discourse.

Drawing heavily from the planks of dependency, one can understand why Africa has started thinking of a new model of development that would bring about socio-economic and political development. Without doubt, the global order is increasingly complex and complicated and only well organized and structured system in Africa can compete with their homologue elsewhere.

The new orientation of development in Africa as encapsulated in the New Partnership for Africa's Development (NEPAD) is imperative. It aims at reducing if not eradicating poverty from Africa, put the continent on the path of sustainable growth and development, create a relationship of mutual benefits with its development partners and participate in the world economic and political systems. However, as in the past, we wish the new model of development will not reproduce the political and economic hegemonies of the indigenous ruling class and their foreign allies.

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Economically, SAPs has greatly undermined the capacity and ability of African states to deal with the economic and political crisis in the continent. Its general recipes for solving dissimilar problems have made SAPs policy less effective in the continent. However, Haggard and Kantman (1994) contend:

Many neo-liberal claims do indeed rest on shaky theoretical and empirical grounds. Clearly, the Anglo-Saxon model is not the only viable model of the market economy, many "alternative capitalism" particularly those that characterize East Asia and the small European social democracies have been highly successful.

This means that Africa can evolve its unique form of capitalist economy that will serve the interest of its people rather than imperialist. What therefore is required is a people centered economic system that will appropriate their values and culture and lunch the continent into developmental purposes. Like the Koreans have done, there should be an integrated development planning scheme, the necessity for a judicious resource allocation and management, the inevitable and imperative role of national mobilization through the lively awakening of the spirit of nationalism and national consciousness (see Nwankwo 1986).

Globalization as presently pursued is driven by modern technologies which critical mass of men and women of skills and talent are the drivers of the system. To realize this goal in Africa, merit should be prioritized over mediocrity, ethnic favoritism or religious affiliation. Africa must choose the part of merit in the search for development. The ethnic and religious divisions in Africa should not be seen as limitation but source of strength that could be exploited for social, political, economic and technological development. Yet, African leaders must adapt best global practices from within and elsewhere because no country can leave in isolation. Technologies can be stolen or adapted as exemplified by the Asian tigers and not borrowed. Therefore, Africa and Africans must as an urgent necessity come out with its unique and strategic model of development.

The political culture of any country determines what its leaders do in their various positions. Some elements in African political culture such as: intolerance, violent conflict, ethnicity and religious fanaticism, etc should be discontinued with. Although, this has been largely due to years of military/authoritarian rule, however, the situation is gradually changing and patience is required for leadership to begin to harvest the vast potentials in the continent to enable them pursue sustainable development. Therefore, rather than seek to c-opt the international community or undermine their activities and actions, government should aim at tapping from their closeness to the people to promote its developmental efforts in Africa.

Democracy as presently practiced in Africa fall-short of the kind of liberal democracy that can bring development to the continent. Most of the so called converts to democracy still find old ways of political governance such as: rigging of elections, winner takes all, intolerance of opposing views, political thuggry and election violence etc. Therefore, enthronement of true democracy where free, fair and transparent election will reign could emancipate the people and give them the freedom to participate in public decision making and deciding who represent them. Also, as democracy gets consolidated, the rule of law and constitutionalism, transparency and accountability and better conflict management becomes a priority.

Also, the private sector in Africa should build on their areas of strength in accordance with the principle of comparative advantage drawn from their mastery of the domestic market in order to compete effectively and favorably with the multinational and transnational corporations operating in Africa and elsewhere. More than ever, globalization has collapsed the wall and brought the World closer, no enterprise can be shielded from competition. Therefore, exploiting areas of strength is perhaps the only way they can compete with their better positioned counterparts in the globalize system.

The states in Africa has for too long failed to employ its regulatory mechanism in running the affairs of their State. For example, while there are extant laws to regulate industrial activities, they often remain inactivated or are circumvented for personal and group reasons. Institutional rules should be strengthened and made autonomous of any strong-man or cabal who might seek to manipulate them for personal or group interests.

A new Africa, we all crave for is impossible without a visionary and missionary leaders who can transform the continent. Transformation of the polity is what is needed to set in motion people oriented development. Leaders that can reverse the status quo in Africa should be of necessity because at this phase of Africa’s existence, it needs to draw from its inner strength to advance in the realm of development.

Conclusion and Implications

The issue of globalization and paradoxically position of Africa in the World economy as captured by scholars and commentators has been espoused with an attempt at clarifying the intellectual “cobweb” surrounding the role of second fiddle Africa is playing in world economy. In addition, searchlight was also beamed on the theoretical framework for a better understanding of the concepts under interrogation. Thus, different theories on the concept of globalization such as dependency and structural theories of imperialism have been examined as postulated by scholars. An attempt has also been made to establish the nexus between globalization and African political economy.

The implication is that Africa and other developing countries of the world are under the weight of an oppressive international economic order that has made these countries only good at producing raw materials with adverse terms of trade in relation to the developed countries. The paper observed that several reforms have been made in the past to redress this imbalance without resolving the fundamental structural impediments of globalization to the continent's development agenda. Thus, unless the people are empowered to make informed choices and set agenda of self-reliant and nationalist policies and programmes of development, no genuine development can take place in Africa.

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Unfortunately, Africa attracts marginal FDI flows compared to the rest of the developing world, consistently in the region of 2 to 3% of total outward flows.4 These flows are proportionate to Africa's relative economic weight in the global economy. And they are concentrated - the top ten recipients consistently

account for more than three quarters of FDI flows into the continent.5

Concentration in FDI destinations is matched on the source-end as only three

countries (France, the UK and the US) accounted for 70% of FDI inflows in the

period 1980-20006, although this has changed in recent years with the advent of

China's dramatic African safari.

FDI inflows into Africa are predominantly resource-seeking, reinforcing commodity-dependent export profiles. UNCTAD argues that this lends FDI into Africa a peculiarly enclave character, whereby predominantly greenfields and capital-intensive investment is delinked from the domestic economy and profits are not reinvested.7 They argue that this holds a further danger of state capture by powerful multinational corporation (MNC) interests geared towards resource extraction at the possible expense of domestic manufacturing interests, thereby undermining diversification strategies.8

UNCTAD's sister organization UNIDO nuances this picture somewhat.9 They distinguish between two groups of European investors in Africa: large, longestablished companies and smaller, newer entrants. UNIDO acknowledges the dangers associated with the first group, as highlighted by UNCTAD, but points out that the latter group is growing rapidly with investments spread evenly between services and manufacturing, whilst its impacts are generally beneficial.10

And concerning the large established companies engaged primarily in resource extraction, African countries need to generate export revenues - in the first instance to service external debt but more broadly to finance the range of imports required to build their economies. Hence MNC investment is necessary albeit its rougher edges may require some polishing.

This pattern is very different to the one that has taken shape in East Asia, especially China, for which the bulk of developing country FDI flows are destined. That investment is both market-seeking and efficiency-seeking, and more broadly spread thereby entrenching the region's emergence as a twenty-first century economic powerhouse.

The fact that most foreign investment in Africa is resource-seeking, and therefore does not directly improve the diversification of African economies, poses obvious challenges to regional integration in Southern Africa. This is because the latter implicitly assumes that the countries concerned produce a wide enough range of products to make intra-regional trade and investment viable. At present this is generally not the case, with the exception of South Africa in its region. And unfortunately the severe supply-side constraints in both agriculture and manufacturing in most African economies will necessarily mute the response to initiatives that seek to both take integration further and do so more rapidly.