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Examining How Globalization Shapes Africa's Underdevelopment

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Abstract

The concept of globalization delineates a profound shift in the contemporary world with a heightened interconnection among nations that has diversified remarkably. This vital interchange significantly impacts Africa's progress, positioning African nations in an exceptionally vulnerable stance amidst these global currents. This paper argues that globalization is nothing but a renewed ideological onslaught by the western powers to reify their culture of radicalized subjugation of Africa and other third world countries and explores patterns in international economic integration and developmental disparities stemming from the rise of globalization. It discerns distinct facets of globalization, such as trade and capital flows. Within the framework of dependency theory, the adverse effects of globalization on Africa's development were scrutinized. The research underscores the correlation between inequality and globalization, emphasizing how Africa, as a continent, has been influenced by the strategies of Western political entities. This manipulation arises due to constrained market opportunities for nations with lower technological advancement. Moreover, the North's prioritization of profits over the continent's development further exacerbates this situation. To address these challenges, the study proposes through recommendations that African countries reevaluate certain economic policies, advocating for relaxation of stringent conditions imposed by Structural Adjustment Programs (SAPs) and a reexamination of multilateral policies imposed through World Trade Organization (WTO) agreements. It urges the adoption of development strategies rooted in the principles of sustainable development that best suits Africa characteristics.

Keywords

Globalization, Africa, Dependency Theory, Inequality, Sustainable Development

1. Introduction

Africa's relationship with international financial institutions and developed nations has entered a critical phase, marked by concerning levels of indebtedness and catastrophic implications. This complex scenario is compounded by glaring issues within the continent: the stagnation of technological advancement, the draining exodus of skilled minds referred to as "Brain-drain", and the eruption of protests against political regimes, leading to a persistent state of political instability across African states (Frank, 1982). For example, Nobel laureate Wole Soyinka paints a stark picture of contemporary Africa in his article "African Again Betrayed: This Time from Within". He vividly depicts the loss of humanity through famine's irreversible toll on children, the haunting sight of skeletons along deserted roads, and the chilling presence of mass graves. Soyinka draws a parallel between these grim images and the trails of slave marches, pinpointing African leadership's failure to acknowledge its own people's suffering and identity. His powerful narrative urges introspection and accountability among African leaders, emphasizing the urgent need for change from within. These complex challenges not only serve as causal factors but also symptomatic representations of Africa's underdevelopment.

The magnitude of these problems threatens to entrench the continent deeper into the quagmire of underdevelopment and despair. Even the prospect of political redemption appears daunting, with leadership often lacking the trivial understanding needed to redefine developmental strategies tailored to Africa's complexities. The United Nations' projections paint a telling picture: Africa's population is set to more than double from 900 million in 2010 to a staggering 1.9 billion by 2050, reaching over 2.1 billion people by the end of the century (United Nations, 2010). However, the continent grapples with persistently low economic growth, foreboding a future where the majority of Africans remain entrenched in poverty while the wealth disparity between Africa and other global regions widens.

Historically, no nation has attained development in isolation from the global economic system. Notably, in Asia, China's Belt and Road Initiative (BRI) stands as a prominent strategy initiated by the People's Republic of China. It aims to foster connectivity across Asia, Africa, and Europe through both land and maritime networks, with the overarching goal of enhancing regional integration, boosting trade, and driving economic growth (The Economist, 2023). However, Africa's trajectory diverges significantly. While globalization has purportedly integrated the third world, Africa finds itself marginalized by global business leaders and multinational corporations. Consequently, the continent's economic affairs have been relegated to the stewardship of international financial institutions like the World Bank and the IMF, leading to the imposition of stringent economic policies typified by the Structural Adjustment Program (SAP).

The implementation of SAPs has, regrettably, exacerbated poverty in Africa. These programs, rather than being designed to aid African nations, impose conditions on new credits or debt rescheduling, compelling adjustment to the inequities of the global market. This orchestrated economic globalization has grievously disadvantaged Africa, perpetuating unbearable poverty across the continent.

Best to the researcher knowledge, the current body of research predominantly scrutinizes the evolution of globalization without delving sufficiently into its specific implications for Africa (Campos et al., 2023). Scholars have emphasized shifts in global trade patterns, yet they've overlooked how these changes involvedly affect Africa's socioeconomic landscape. Addressing this gap necessitates a deeper inquiry into how the evolving facets of globalization, such as shifts from goods to services and changing trade dynamics, influence Africa's economic positioning within the global context. Recent scholarship contends that understanding these degrees is pivotal for grasping how globalization shapes Africa's role in the global economy. This paper is structured into four sections: the theoretical framework, the conceptualization of key topics, an exploration of globalization's impact on African development, and recommendations and conclusions.

2. Theoretical Framework

2.1. Dependency Dynamics

The impact of globalization on Africa's underdevelopment has sparked intense scrutiny despite the widespread celebration of globalization for its potential economic growth and interconnectedness. Theoretical frameworks exploring this relationship often rely on dependency theory which argues that underdevelopment in regions like Africa stems from their integration into the global economy in ways that perpetuate economic subordination (Samoff, 1978). Additionally, rather than alleviating underdevelopment, globalization exacerbates it through increased trade liberalization, foreign investment, and technological advancements (Mhone, 2000). Dependency theory, although originating from Latin America, remains pertinent to Africa and other third world countries, critiquing the western model of development, as the Brazilian economists Santos highlights. It delineates a situation where economies of certain countries are conditioned by the development and expansion of more dominant economies, leading to asymmetrical and hegemonic relations between the center and periphery. Samir Amin, the Egyptian-French Marxian economist, synthesis of dependency elucidates the purpose of capitalism's extension for the profit of core economies while creating and maintaining the periphery to serve the needs of dominant global economies, now taking the form of globalization (Samoff, 1978).

This framework adopts a political economy approach using dependency theory to link internal and external events, illustrating how global powers shape internal policies. Within this context, it examines globalization's implications for Africa's development, emphasizing the power dynamics and economic implications present in global interactions. Additionally, the framework underscores the perpetuation of unequal power relations, economic dependency, cultural erosion, and increased vulnerability to global economic fluctuations in Africa. It highlights how globalization processes maintain unequal exchanges, confining African nations to suppliers of raw materials and cheap labor, hindering local industry and economic growth.

The perspective of Dependency theory diverges from modernization theory by attributing global inequality to historical exploitation by richer nations. This Marxist critique focuses on internal factors that are influenced by external forces rather than focusing only on external factor. According to this view, Western imperialist powers have perpetuated Africa's impoverishment, fostering dependency and eventual dominance over Africa and other third-world nations (Offiong, 1980).

On the one hand, the interchange of ideas is an important feature of globalization, and nothing symbolizes this phenomenon more than the internet. Unfortunately, the internet is not merely used to spread beneficial information, culture, and commerce but instead, Web sites promote pornography, racism or gambling. A few even give specific instruction on how to make homemade bombs (Friedman, 2013). Television and films also have an enormous influence on how people think. The messages on the world's screens often come out of Hollywood, the world principal factory of make-believe. The values that this vast entertainment industry reflects often promote materialism, violence or immorality which at the long run affects or bring negative development to African countries. Nevertheless, governments, educators and parents invariably find it extremely impossible to hold back the tide to a large extent; globalization has magnified African countries problems that already existed in our imperfect world. Rather than offering solutions to underdevelopment in Africa, it has become part of the problem, for instance, in area of crime and Terrorism.

2.2. Multinational Cooperation and Globalization

The latter part of the 20th century marked a pivotal juncture, witnessing the ascendance of multinational corporations (MNCs) that, proponents claim, serve as engines of development through job creation, technology transfer, and inflation reduction (Lazarus, 2001). However, a burgeoning body of evidence challenges these assertions, suggesting that MNCs prioritize profit maximization above all, resulting in adverse consequences such as environmental degradation and the erosion of host countries' sovereignty. On the one hand, globalization's impact is seen in the erosion of cultural identities and local economies (Mamdani, 1996). Consequently, this contributes to the marginalization of local industries and exacerbates economic disparities within African societies. The glossy images of globalization, including diverse multiculturalism alongside symbols like McDonald's and satellite TV, remain accessible to only a privileged few in Africa. For the majority, urban life is characterized by unemployment, illness, and instability. This market-driven globalization, with its global consumer culture and high-tech imagery, proves disheartening for the masses, rendering the experience of globalization distressing and fragmented.

The belief that globalization offers a panacea for global issues is unrealistic; in practice, it has led to impoverishment and deterioration for most of the world's population. From a human perspective, capitalist globalization is fundamentally unsustainable. Furthermore, the financialization and integration of African economies into the global financial system have often led to increased vulnerability to external shocks, as witnessed in the volatility of commodity prices and financial crises (Kaplinsky, 2005). This perpetuates the cycle of underdevelopment by hindering sustainable economic growth and exacerbating poverty and inequality within African nations. Africa, endowed with significant natural resources, it harbors more than 30% of the world mineral reserves and approximately 10% and 8% of the world's oil and natural gas, respectively (World Bank, 2017). The question arises: why do African nations struggle to harness their resources effectively, and who truly benefits or controls these assets? The operations of MNCs within Africa significantly contribute to this dilemma.

These corporations' activities within Africa demand regulatory oversight due to their alignment with colonial legacies. They often mirror the interests of their predecessors, perpetuating the alienation of natural resources and imposing centralized political authority over previously localized institutions (Oyier, 2017). This consolidation of concession rights within governments, a legacy rooted in colonial disruption, marginalizes local communities.

An illustrative case is Tullow, an Anglo-Irish oil company's influence on Ghanaian government policies, facilitated through the UK's Department for International Development (Lanan, 2018). This maneuvering led to the passing of an Oil Exploration and Production Bill favoring less regulated operations for oil companies. Similarly, instances of collusion between African governing officials and MNCs highlight unethical practices, exemplified by Associated British Foods in Zambia and the Shell Group in Nigeria (The Conservation, 2022). These cases underscore how tax avoidance schemes and exploitation of loopholes significantly diminish African countries' tax revenues, hindering their development prospect (Oxfam International, 2012). Furthermore, globalization, while offering benefits such as reduced trade barriers and increased capital flows, has rendered African economies vulnerable. The pursuit of deregulation and privatization to attract foreign investment primarily favors the interests of MNCs (Van Rossum & Dalrymple-Smith, 2020). This exacerbates the existing imbalance, wherein Africa receives significantly less benefit than the aid it receives, perpetuating economic disparities.

The repercussions of globalization on job security and income stability in Africa, underscore the volatility induced by MNC (Human Development Report, 2012). These corporations strategically target nations with weak governance structures to exploit regulatory gaps and shape rules to their advantage (Oxfam International, 2012). The activities of MNCs through the scam globalization within

Africa, driven by profit motives, continue to perpetuate historical injustices, exploit regulatory gaps, and impede the continent's development trajectory.

3. Development Exploitation

Understanding the intertwined nature of underdevelopment and development is fundamental to any meaningful discussion about progress. Just as inseparable as twins, these concepts rely on each other for context and comprehension. Amartya Sen, a prominent figure shaping our perception of development and poverty alleviation, expounds upon this in his seminal work, "Development as Freedom". Within its pages lies the core notion that development is not merely economic growth but the empowerment of individuals to carve their destinies. Nyerere, in his perspective echoed in 1993, views development as an obscure process requiring profound structural shifts that cannot be merely transplanted from one context to another. He emphasizes the interconnectedness of a successful developmental journey with the robustness of the economy, governance, and societal fabric, all working synergistically towards common aspirations and objectives. These viewpoints underscore the complexity and holistic nature of development, advocating for an approach that encompasses societal, economic, and political facets in unison.

In addition, modernly, development often aligns with economic progress. Therefore, the economy mirrors broader social aspects (Rodney, 1973). Economic development involves transforming an economy through technological advancements, infrastructural improvements, and industrial upgrades, aiming to enhance productivity, reduce costs, and ultimately promote people's welfare (Lin, 2017). Rodney Anthony Walter, the Guyanese history, emphasizes that economic progress is tied to understanding natural laws, utilizing technology, and organizing work (Rodney, 1973).

Moreover, the concept of development is intertwined with globalization. The interconnectedness of economies and cultures worldwide has led to both opportunities and challenges. Global trade has facilitated the movement of goods and capital across borders, allowing countries to specialize in their comparative advantages. However, this globalization has also widened the gap between developed and developing nations. While some countries benefit from access to markets and resources, others face challenges due to unequal trade relations or exploitation.

For instance, the exploitation of natural resources in Africa by multinational corporations is a stark example. While these resources are critical for global industries, the profits often bypass the local populations, leaving the countries resource-rich but economically deprived. This perpetuates a cycle of underdevelopment despite possessing valuable resource. Regarding the historical dimension, scholar like Karl Marx discussed societal development stages. Marx outlined communalism, slavery, feudalism, capitalism, socialism, and communism as sequential stages. Each stage represented shifts in ownership, labor dynamics, and societal structures (John, Messina, & Odumegwu, 2023).

Discussions on development often include underdevelopment, a term some prefer to reframe as "developing" to avoid negative connotations. Underdevelopment refers to differences in societal levels based on income, poverty, literacy, life expectancy, and infrastructure. It can also imply exploitation between nations, creating disparities where resource-rich countries may still struggle (Rodney, 1973). While acknowledging the need for Africans to drive their growth, it's crucial to recognize the historical impact of imperialism, unequal trade, and exploitative production relations that hindered Africa's development (Rodney, 1973).

Bretton Woods Institutions

The Bretton Woods Agreement of 1944, primarily led by the U.S. and the U.K., brought into existence significant institutions such as the World Bank, International Monetary Fund (IMF), and the International Trade Organization (later rebranded as the World Trade Organization in 1995). This historic accord laid the foundation for a novel monetary framework, wherein the U.S. dollar emerged as the prevailing global currency, supplanting the gold standard. Consequently, being the sole nation capable of printing dollars, the United States ascended as a dominant force in the world economy (Amadeo, 2022).

Initially intended to reconstruct the war-torn European economy post-World War II, the focus of the World Bank and IMF shifted gradually from merely financing development projects to intervening in the economies of emerging capitalist nations. Although the establishment of these institutions was portrayed as a post-war economic revival effort, it also functioned to champion and safeguard capitalist interests in developing countries while countering socialist movements within them. Notably, the Structural Adjustment Program (SAP) imposed by the Washington Consensus significantly impacted African economies, advocating free-market policies such as stabilization, trade liberalization, privatization, currency devaluation, deregulation, and reduced government intervention (Toussaint & Bruneau, 2023).

The repercussions of the Structural Adjustment Program in Africa were adverse, perpetuating poverty rather than alleviating it. The Bretton Woods Institutions wielded control over African states through loan conditions, compelling compliance not due to developmental necessity but as a requisite for aid (Fatton, 1992). The program's ineffectiveness stemmed from its primary objective being economic control rather than genuine assistance (Thompson, 2010).

On the other hand, the efficacy of Structural Adjustment Programs in African development, initially perceived as effective in rectifying inefficient economic policies and fostering diverse markets, thereby stimulating economic growth (John, Messina, & Odumegwu, 2023). However, later assessments discredited their effectiveness as African nations grappled with escalated debt and economic stagnation, attributing these failures to internal factors such as civil strife, historical legacies, health crises, and governmental inadequacies. The failure of Structural Adjustment Programs in Africa underscores the necessity for tailored solutions rooted in the African context. Additionally, the limitations of SAPs in promoting market and institutional development effectively in Africa, emphasizing the significance of considering cultural, economic, and political nuances when implementing development programs in diverse regions (Heidhues & Obare, 2011).

Furthermore, the governance of Bretton Woods Institutions raises significant concerns regarding persistent power imbalances between the global North and South. The legacy of colonialism has granted developed nations disproportionate influence over international trade and finance policies, favoring their interests at the expense of developing nations. The governance structures of the World Bank and IMF remain flawed and undemocratic, with limited representation for developing nations in decision-making processes. Despite some reforms, leadership appointments still predominantly stem from the U.S. and Europe, perpetuating disparities in voting power that heavily favor developed nations, particularly the U.S. and E.U. This unequal power distribution exacerbates racial prejudices and economic inequalities in the global economy (Hickel, 2020).

Efforts to democratize these institutions, including calls for a Double Majority system where major decisions necessitate approval from both shareholders and member-states, have been disregarded despite advocacy from civil society and political leaders in the global South (Hickel, 2020). Additionally, historical instances, such as the support extended by the IMF and World Bank to regimes like Mobutu's in Zaire during the Cold War era, underscore how these institutions have violated their own rules by supporting dictatorships for political and economic gains. Such actions contradict the professed values of these institutions to promote democracy and equality, emphasizing the need for fundamental reforms in their governance and decision-making processes (Toussaint & Bruneau, 2023).

4. Conclusion

In the light of our major findings, it was concluded that globalization and development has led to the underdevelopment of African Nations, through the crude of manipulations of the MNCs, IMF, World Bank and WTO. These Agents of globalization who represent the interest of their initiators (Western Nations) have in one way or the other caused very disastrous effects on Africa's Economy, Culture, Politics and Environment. The study revealed that the idea of globalization of the world Economy was fashioned and packaged by the west and enforced on the third world. However, in as much as the idea of globalization has a lot of negative implication on Africa, it equally has a lot of benefits to derive from it, in as much as the African countries make productive and effective policies that will make them fit in properly into the globalization train. In this study also, it was observed that African countries has liberalized trade and opened up their economy extensively but lacks the competitive advantage to reap maximum benefits from the trends of globalization, mainly because of their dependence on the developed Nations, and lack of diversification of the economy.

Recommendations

Recommendations are based on the findings and conclusions from this study. The following recommendations have been considered:

Economic Development Paradigms, Models, Strategies, and Policies

As has already been made clear, development strategies and policies followed by African countries are increasingly those formulated by outsiders, which are then uncritically imposed on African countries as a condition for aid, investment, trade access and political and military support. Not surprisingly, these strategies and policies serve more the interests of external forces rather than those of the African people they claim to be assisting. In articulating a new approach to the economic development of Africa, emphasis should be placed on the question of the nature, ownership, management, allocations, utilization and distribution of resources. It is therefore our hope that this study shall not end up in the archives. It should be critically read and applied by all and sundry, so that Africa would benefit from the trends of globalization.

Improving the Democratization Process

There is a democratization struggle in Africa. Some African countries began the process of democratizing their government, political system and societies sometime back. However, their international partners they are working with in this globalized world are hardly democratic. While the democratization process would require that people of the country in question get involved in the making of decision and policies that concerns them, some big decisions affecting Africa today are more or less imposed by the globalization players, such as the World Bank, IMF, the World Trade organization etc. This has been the case for example with the liberalization and privatization policies in Africa.

Making the Task of Poverty Eradication More Indigenous

As global actors pressurize to maximize foreign investments and capital inflows, and as big multinationals and local enterprises utilize the government to cater for their interests, the government is having less and less room to pay attention to the abject poverty amongst the poor and rich both in and between countries. The African states will have to be encouraged to pay more attention to the fate of its poor populace than to the fate of 56 big global actors. The big global actors can talk for themselves with little or no problem. The issue is, who will talk for the poor African populace.

Avoiding Debt Accumulation and Debt Burden

The phenomenal debt burden of African countries is well known. Most of the accumulations of this debt over time were as a result of the incapacity of the borrowers to pay back as it was of the ease with which the tenders gave money to the African countries. This was and still is, facilitated by the context of globalization. The paradox about this is that the government borrows in the name of poverty reduction, while their social spending that would go towards alleviating poverty remains low. In the same way, the rich countries that lend money rarely allocate their financing towards social goals.

Improving and Not Undermining the Power of the African States

Most African governments are finding themselves in a situation of accomplished fact when it comes to making certain policies and decisions. International agencies such as the World Bank, IMF, United Nations, World Trade Organization etc., take most decisions which are binding on African countries. This could be looked at as eroding the sovereignty and power of the state. We must add that this is not only the case in Africa. The poorer the country, the more chance of power erosion in the state and this would minimize if the voice of African states were increased and strengthened in the world body. Strong African regional body would also help in this respect provided these bodies were represented in the world bodies at the same time.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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