

GLOBALIZATION, AFRICAN ECONOMY AND REGIONAL INTEGRATION: THE ROLE OF AFRICAN UNION

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ABSTRACT

There is no gain saying that the web of globalization has conquered the world and reduced it to what can best be describe as “global village”. Either for good or bad, the fact remains that globalization exists, but the controversial questions are: for whose benefit? Is it a zero-sum game? Who are the major players that control the world economy? Can globalization ensure a balanced, equitable and sustainable development of Third World national economies? Can it ensure a "just" international economic order? Is its benefit on an equal basis? These and many more questions must be tackled before an objective perspective can emerge. Africa has experienced traumatized socio-economic and political history, orchestrated through violent colonial imposition, neo-colonialism, capitalism, and of recent globalization. The impact of all these, can never be quantified by any measure. The question here is how the poorer South could bridge the wide development gap with richer North? This paper shall therefore argue that, the reformed African Union (AU) holds a very promising future for African continent. From the integration theory perspective and political economy approach, it could be argued that African Union (AU) holds the key to the socio-economic and political transformation of African countries.

Key words: *Globalization, African economy, Regional Integration, African Union*

INTRODUCTION

The debate over globalization has been ongoing for a very long time within the academia. This has led to a sharp division among scholars and the emergence of two schools of thought; the Globalist and Anti Globalist schools. There is no contradiction, except for academic convenience, that the web of globalization has conquered the world and reduced it to what can best be described as ‘global village’. The latest advancement in information technology has reduced the contemporary world to a kind of global village, in the sense that policies and programs that are made at a great distance from us have direct bearing or relatively catastrophic effect on all humankind.

The central feature of globalization is therefore, geographical distance is of declining relevance, and that territorial boundaries, such as that of the nation-states are becoming less significant. In this view, globalization is linked to homogenization as cultural, social, economic and political diversity are destroyed in a world in which we watch the same television programs, buy the same commodities, eat the same food, support the same sport stars and follow the antics of same celebrities. The implication of these is that, the capacity of nation-states (Africa) to organize economic and political life in a meaningful way is gradually declining. Thus globalization is a shift from a world of distinct national economies to a global economy in which production is internationalized and financial capital flows freely and instantly between countries (Joshua and Jon, 2012).

The basic tenet of globalization is trade liberalization, opening up the market and allowing the market forces of demand and supply to determine the prices of goods and services. The earlier manifestations of globalization bring forth many warnings of marginalization of Third World economies.

With the present day reality on globalization, the challenges before the managers of African national economies are quite enormous; there is urgent need to re-strategize, design new policies and programs that would minimize the consequences and maximize the benefit. It is therefore

based on this backdrop that the paper examined the impact of globalization on African economy vis-à-vis the role of the African Union.

STATEMENT OF THE PROBLEM

The search for socio-economic and political relevance in the international system prompts individual countries to enter in to cooperation with one another. The history of political cooperation dates back to the existence of human organization, the global trend sweeping across the continents of the world show the imperative of socio-economic and political integration. Thus, this paper would be based on the assumption that; the need for countries of the world to impact positively in the international system prompts them to enter in to various type of cooperation, be it political, economic, socio-cultural etc.

CONCEPTUAL CLARIFICATION

It is not only imperative to define the concept of globalization but to have a short review on the concept of globalization, African economy, regional integration and African Union, this would give us a clear and better perspective.

Globalization has a fairly long academic history, particularly in political science; in fact, it is not all together a new phenomenon in social science discipline (Ola and Imhanlahimi, 2010). The concept has assumed different forms and dimensions overtime. However, its contemporary manifestation is unique, unlike earlier phases that were relatively more limited in scope and effects. Contemporary globalization is distinguished by its drive towards breaking down of vital socio-economic and political barriers, facilitating and affecting socio-economic and political development of nation states around the globe.

In the academic environment, the debate led to the emergence of two schools of thought; the globalists and anti-globalists. The globalist argued that globalization tends towards general prosperity and widening opportunities, while the anti-globalists tends to associate capitalism with inequality and exploitation which simply means a new form of misery and injustice (Andrew, 2002).

As some scholars noted, the era of globalization is characterized by greater integration of the world in the economic, social, cultural, and political spheres. It is a process, which intensifies the integration of the world economy and the people through technological advancement in several areas, particularly in the area of information technology. Scholars are also quick to recognize that though the process intensifies the integration of peoples and nations, it has impacted on different countries and peoples in an unbalanced manner: marginalizing some and rewarding some, with unequal distribution of benefits and losses (Khor, 2001:16; UNDP, 2001:12).

In the same vein, Vaughan, Wright and Small brilliantly explicated the term. ‘Globalization’ evokes images of the triumph of free market system, massive capital flow, global information revolution, innovations in science, new transnational cultural expressions and rapidly shifting demographic conditions. These seemingly benevolent developments have, however, emerged in the context of the disintegration of the post-colonial state, the crises of economic production and distribution, intractable communal conflicts, rising tension between labour and management, new pressures on the environment and the growing inequality in advanced industrialized and Third World societies following the collapse of communism in Eastern Europe (Vaughan et al, 2005:11).

To Ake (1995), the whole issue of globalization stresses: ‘Growing structural differentiation and functional integration in the World economy, growing interdependence across the globe; it is about nation-state coming under pressure from the surge of transnational phenomenon’ (Ake 1995:23).

Africa is the world's second largest and second most populous continent in the world. At about 30.2 million KM² (11.7million mi) including adjacent Islands, it covers six percent of Earth's total surface area and 20.4 percent of its total area. With 1.1 billion people as at 2013, it account for about 15 percent of the World's human population. Africa hosts a large diversity of ethnicities, cultural and languages. In the 19th century, European countries colonized most of Africa. Most modern states in Africa originated from the process of decolonization in the 20th century

The economy of Africa consists of the trade, industry, agriculture, and human resources of the continent. Recent growth has been due to growth in sales in commodities, services, and manufacturing. Sub Saharan Africa, in particular, is expected to reach a GDP of \$29 trillion by 2050 but its income inequality will be a major deterrent in wealth distribution.

In March 2013, Africa was identified as the world's poorest inhabited continent; however, the World Bank expects that most African countries will reach "middle income" status (defined as at least US\$1,000 per person a year) by 2025 if current growth rates continue. In 2013, Africa was the world's fastest-growing continent at 5.6% a year, and GDP is expected to rise by an average of over 6% a year between 2013 and 2023. Growth has been present throughout the continent, with over one-third of Sub-Saharan African countries posting 6% or higher growth rates, and another 40% growing between 4% to 6% per year (https://en.wikipedia.org/wiki/Economy_of_Africa).

African Union is a regional integration body formed by African States after the failure of Organization of Africa Unity to meet its promises. African States called for the creation of African Union at an extra ordinary summit in Sirte, Libya, on September 9th 1999, under the leadership of late Muammar El-Gaddafi. The constitutive act of the African Union was signed at Lome Summit, Togo, in July 2000 (Adejo, 2001). The primary aim of the Union is to integrate Africa economically, socially and politically to achieve economic growth and development of member states.

Generally, scholars are of the view that, African Union, unlike its predecessor, Organization African Unity, is more functional and effective as it is equipped with stronger administrative mechanisms and greater powers of intervention in the affairs of its member states and possess integrated frameworks to address Africa's security, governance, and ability to influence the international system for the good African continent

Dunmoye (2010) in a paper presentation titled "Nigeria and the transition of OAU to AU" provided an insight in to the historical background of Africa outlining the countries common problems and interests which include, endemic poverty and deprivation, bureaucratic and political corruption, uncontrolled population growth, political violence and institutional

instability, poor health care delivery, economic dependence, undeveloped infrastructure, burden of external debt and dependence of export of primary commodities (Dunmoye cited in Sogolo 2011:246-251).

Regional Integration is a process by which two or more Nation-states agree to cooperate and work closely together to achieve peace, stability and wealth. Usually it involves one or more written agreements that describe the areas of cooperation in detail, as well as some coordinating bodies representing the countries involved. This cooperation usually begins with economic integration and as it continues, comes to include political integration.

From the above summation, we can infer that, globalization as a social science concept has no single and universally acceptable definition. However, in this 21st century, no nation-state can single handedly pay the price of isolationism, hence, the need for regional integration. This clearly demonstrates the fact that there is correlation between globalization, integration and development nation-states as demonstrated by European Union for Europe.

THEORETICAL FRAMEWORK

Just as there are numerous problems that confront humanity, there is equally significant number of theories that help us to understand, explain and even predict these problems as well as proffer solutions to them. Political Science as a dynamic field of study has a dazzling array of theories (some of which are borrowed from other sister disciplines such as Sociology, Psychology, Economics et cetera) with which it engages in a systematic investigation of political phenomena in the ever-changing World. Therefore, owing to the nature of the problem under inquiry, this paper intends to explore the use of ‘Theory of Integration and Political Economy Approach’ as a theoretical framework.

Theory of Integration

The choice of this theory is informed by the central theme of the theory, which posits that, modern states, especially the emerging one, cannot afford the luxury of isolationism. While scholars are sharply divided on the definition of integration, there appears to be a consensus that, to integrate, in general, donates making a whole out of parts (Akinboye and Otto, 2005).

Basically, theory of integration embraces four schools of thought; these are the Federalist, Pluralist or Communications, Functionalist and Neo-Functionalist. Based on the nature of our topic, we would rely on Neo-Functionalist approach, which seems to suit our desire. In spite of the weakness of this theory for been too complex and historical on its explanations, its strength cannot be over emphasized as far as this topic is concern.

Political Economy Approach

There are two types of Political Economy Approach– Liberal and Radical or Marxist. This paper adopts Radical Political Economy Approach. According to this approach, human society could be analyzed and understood using dialectical materialism. It places emphasis on economic determinism hence the primacy of material conditions in human society (Ake, 1981). It argues that it is the substructure (the economy) that shapes and reshapes the superstructure (politics), thus socio-political events are more often than not determined by the substructure or economic underpinnings. Therefore, economic interests or material factors are the major determinants of the character of politics or class struggle and other political issues.

The paper utilizes this approach because it has been used by scholars with Marxian persuasion to undertake various studies ranging from the process of colonization and decolonization, underdevelopment and dependency, political instability, the activities of the Multi National Corporations (MNC's), the World Bank and the International Monetary-IMF Fund (Anifowose and Enemu, 2008). This approach posit that the worsening economic situation and political crises facing Third World Countries (Africa inclusive) is as a result of the incorporation of Third World Countries into the international capitalist system by their former colonial masters, not their internal contradictions as argued by liberal scholars.

The Marxian scholars argued that the world economic system that is essentially capitalist promotes an international division of labour in which manufacturing technology and finance capital are the prerogative of the industrialized capitalist countries of the West, while the Third World countries were forcefully made to specialized in the production and supply of primary products, whose prices are determined by the Organization of Capitalist Countries-IOC's (Bode 1988 as cited by Anifowose and Enemu, 2008). The implication of this is that, African

economy is tied to that of the world, with Africa loosing the control of their economic policies and destinies, especially under the renewed globalization policy, hence, the call for a New International Economic Order (NIEO) by African and other Third World Leaders.

GLOBALIZATION: AN ASSESSMENT OF THE PAST AND PRESENT TREND

After Africa's independence in the 1960s, African leaders based their argument on self-governance and determination on Africa's development, to them imperialism and colonial infiltration followed by slave trade and eventual conquest of Africa was meant to improve the lives of the people at the 'Centre' at the expense of those at the 'Peripheries'. Development then became the slogan in the struggle for the emancipation of the people of Africa. The debate covers development and was all inclusive as it brings about contending theoretical perspective. But according to scholars, three core values can be identified in the debate over development as thus;

1. Ability to provide as many people as possible with their basic needs e.g. food, shelter, education and security
2. The notion of an individual as respected member of the society and
3. The freedom of the individual and the society to have a range of choices in both material and immaterial necessities of life.

However, despite the fact that earlier African leaders perceived development from both quantitative and qualitative view in the lives of the society and the people living within it, development has been primarily centered on changing the landscape of the independent African territories and increasing choice of consumption pattern among Africans. Therefore, following the ideas of western bourgeoisie writers, Africa chooses industrialization as a stepping stone and basic foundation in their effort to achieve rapid development. As such, industrialization when seen from the European perspective does not seem to possess the potent ability to ensure Africa's development, than mass production for export to other countries.

Industrialization and manufacturing work does not only result in the production of sophisticated materials to meet the changing consumption patterns of the Europe, but also transfer their cultural attitudes and beliefs abroad. In Africa, during the colonial era, and even after many decades of independence, the only means of foreign exchange is still the export of raw materials

like petroleum, the price of which is determined not by the producers but its consumers through their agent, the effect is of course price fluctuation and real decline in income of rentier states as we are witnessing today.

Compounding to the above, is the elite consumption pattern and over dependent on foreign goods and services in terms of education and medical tourism etc. As a strategy to reduce the impact of falling prices of raw materials on their economy led to the adoption of rapid industrialization as part of development strategy.

International free movement of goods and services constitutes serious implication for the developmental aspiration of African countries in the following ways:

1. It would shroud the powers of African states in the pursuit of their national objectives;
2. Increased international division of labour characterized by skill intensity of production will place the African countries at disadvantage position, because developed countries in the North already specialized in high skill intensive manufacturing and services, while developing countries of Africa have low skill intensive manufacturing;
3. That increased capital mobility means shifting the prospects for economic development and growth to the global level, which is an indication of the expropriation of surplus and capital flight from the African economies.

Analyst and scholars try to point out clearly the concentration of investment in developed countries, especially the trio of Europe, Japan, and USA to the detriment of developing countries. For example, the United Nations Development Program, (UNDP) confirmed this assertion in their 1996 Human Development report:

“... Of the \$23 trillion global GDP in 1993, \$18 trillion is in the industrial countries-only \$5 trillion is in the developing countries, even though they have nearly 80% of the world population” (qtd in Anifowose and Enemuo, 2008:49).

Consequent on this, the global economy continues to experience some fundamental changes in nearly all ramifications including "even the language of global discourse". This trend is currently being pursued with vigour by the now acclaimed instrument of globalization. Given the historical

relationship between Africa and the West, it is ironic that the latter is preaching the virtues of freedom to Africans. Former colonizers and ex-slave owners have made a virtue of championing political and economic liberalization. Yesterday's oppressors appear to be today's liberators, fighting for democracy, human right and free market economies throughout the world (Obadina, 1998).

Globalization has largely been driven by the interests and needs of the developed world. It has turned the world in to a big village. This in turn has led to intense electronic corporate commercial war to get the attention and the nod of the customer globally. This war for survival can only get more intense in the new millennium. Are we prepared to face the realities of this global phenomenon, which has the potential of wiping out industrial enterprise in Africa (Oluabunwa, 1999).

The wind of privatization and commercialization policy is another impact of globalization sweeping across Africa aided by the Bretton woods institutions through their deceptive role in luring African countries into the globalized economies.

African countries with their history of decades of arbitrary rules under the auspices of colonialism, democratic governance based on adult suffrage, freedom of expression and association constitute a necessary burden. In fact, Mick More in his thesis tries to point out the causes of bad governance in poor countries of Africa. Though in his analysis he argued that 'Bad governance' is neither inherent in the culture or traditions of the people of poor countries, nor product of poverty. It is rather the result of the ways in which state authority in the South has been constructed-and is being maintained-economic and political interactions with the rest of the world. The politics and practices of Northern government and the pattern of international economic transactions help sustain poor governance in the South (Mick, 2001:386).

Another dilemma facing African states under globalization is Information and Communication Technology (ICT) bearing in mind that globalization is information driven. However, it is a

known fact that African states with their weak economic base cannot afford the cost of acquiring technology. In fact, ICT in Africa is seen by many as luxury or secondary issue.

In summary during the course of my academic journey, I have discovered that globalization is not a zero-sum game, but its benefit is of an unequal basis. These can be argued under the following headings:

Economic threat: Globalists built their base on liberal economic doctrines which stipulate that opening up markets will stimulates natural economic growth and development. But I argued that this process may pose challenges to African economy, because it allows the influx of Foreign Direct Investment, cheap and quality goods in to African markets which will deter the capacity of African states to develop industrially. The world economy is structured into two folds; the producers (North) and the consumers (South). Industrialization as one of the driving forces of capitalism just like its predecessor capitalism, it has a spillover effect on African economies as industries in Africa cannot compete favorably with Northern industries in terms of quality and market coverage.

Negation of sovereignty: Breaking down of vital territorial boundaries for free movement of goods and services negates the powers of African states to effectively take charge of their sovereignty. This has created an unrestricted domination of African national economies by foreign capitalists through their local agents.

Cultural Challenges: From the East, South, West and South Africa, one can count endlessly the invasion of former colonial cultures in to Africa. This cultural dilution is achieved through the instrument of globalization namely; the Television, radio and the internet. The inflow of phonographic videos into the lives of African children is not only worrisome but terrible. Africans tends to copy the west in virtually everything they do (ceremonies, dressing, speaking), they see westernization as civilization.

CHALLENGES OF GLOBALIZATION: WHAT ROLE FOR AFRICAN UNION

As argued by the anti globalists, the web of globalization has conquered the whole of Africa and simply reduced African states to mere consumers, and I hereby add that, no African country can fight the negative web of globalization in isolation on its shores. There is need for collective effort to arrest the negative impact and reap the gains. This can be achieved through intergovernmental institution (AU) which has the ability to wheel and pull African states resources for collective good. What therefore remains for Africa through the African union are:

- Strengthening of regional cooperation; the realities of globalization and weak economic base has made it imperative for African states not only to strengthen regional cooperation but also sub regional bodies (ECOWAS, SADC) to complement regional effort. African union should develop structures and mechanisms to promote unity and trade among member states, for the overall development of Africa.
- Consumption policies: Policies and programs on elite consumption should be looked into with a view to encourage local production and self reliance. Import substitution policies should be strengthened to promote locally manufactured goods and services. This would go a long way in creation of employment for our teeming youth, who move to cities to search for non-existing jobs.
- Access to education: Globalization is a knowledge driven phenomenon, African union should encourage African leaders to provide not only access but more funding to education promote entrepreneur education and encourage educational curriculum that creates job providers against job seekers.
- Economic diversification: Most African national economies are mono cultural and dependent, there is need to revitalize other sectors (mining, agriculture, tourism). This of course cannot be achieved without provision of adequate security. It is time for African leaders to channel more resources through the African Union to convert security challenges and attract tourists and investors to the continent.
- Cultural legislation: African parliaments should review laws (if any) or enact if necessary to control excessive infiltration of negative social values that are alien to African cultures

and traditions, such negative values like, phonographic websites most often have direct negative consequences on our primary and post-primary educational system.

- Control the activities of donor agencies : African leaders should control the activities of donor agencies so as to have a fair share of globalization. Economic policies and programs should not be packaged and smuggled into Africa by donor agencies. Over the years, what Africa witnessed was the control of their destinies by foreign financial institution and their allies.
- African union : There is need for the supranational government (AU) to reexamine its structure in line with international realities and its objectives, establish the necessary conditions to enable the continent play its rightful role in the global economy and international negotiations.

CONCLUSION

It would amount to an understatement to say there is gain in integration, what is required by African leaders through the African Union is political will and commitment, this could be achieved if all African states can coordinate their relevant national policies within a regional context. Today, virtually, governments all over the world belong to regional organizations. There is need for African Union to shift from its traditional approach of peacemaking to economic integration and allow African national economies to overcome the disadvantages of their relatively small size and weak institutions to realize economies of scale. At this critical time there is need for African leaders to look inward through enhancing trade and commerce links among themselves, fighting corruption, bad governance, providing mutual support to their members in their reform efforts, strengthen their ability to participate in trade and investment on a global scale and legislate for defensive mechanisms to ward off the evil of globalization.

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