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Third Wave of Globalization and Post-colonial African Economy

Paul Azemata Amune

International Cooperation On Human Rights And Intercultural Heritage,
University of Bologna, Italy
paulazemata.amune@studio.unibo.it

Abstract

In today's contemporary world, there have been a lot of changes and shifts in thoughts, ideologies, and views. Nothing seems to remain constant forever. While globalization is not new, it has come across different changes and shifts even in modern times. This work explains the three waves of globalization, in brief, looks at the historical past of colonial impact on Africa. Then, moves on highlight how the African economy could learn from some peculiar cases of emerging countries with some shared similarities such as China, India, and Brazil. Furthermore, this work demonstrates that the African economy can take good advantage of the global market competition in advancing the continent forward from where it is today to provide a better experience for the African people. Applied is the Comparative Cost Advantage theory for a better understanding of how Africa can increase its integration to benefit more from the global market competition. Hopefully, Africa can take advantage of this third wave of globalisation, which seems very promising.

Keywords: *African Economy, Colonialism, Globalisation, Liberalism, Sustainable Development*

Introduction

The three waves of globalisation is just an exploratory history. It is intended to open discussion. It is not meant to be the final word on the subject, let alone a comprehensive survey of all elements of globalisation and its scholarship (Robertson, 2003). In scholarly and political arenas, the impacts of globalisation on the economy and society are incredibly controversial topics (Soysa, 2003). Soysa, 2003 examines globalisation from both local and nationalist horizons to a broader perspective of an interlinked and interdependent globe with free movement of capital, products, and services across national borders. While, Rouse (2014) sees globalisation as a process that spreads individuals, thoughts, and products around the globe, stimulating more connectivity and inclusion among civilisations, governments, and markets of the globe.

Different authors, scholars, and writers see globalisation from different viewpoints, but what cuts across most viewpoints are the interconnection and interdependence within nations and societies to create market opportunities and wealth, enhancing socio-cultural integration by

removing obstacles, integrating the global market and reducing protectionism among other views which are of benefit to the global society. Other views suggest that globalisation has set in some adverse effects such as destabilising the labour markets in favour of the lower cost elsewhere, undermining national policies and cultures and that globalisation increases the movement of companies to the developing world.

The International Monetary Fund (IMF) (2000) defines four fundamental elements of globalisation: trade and operations, movements in capital and entrepreneurship, migration and people's movement, and information dissemination. This assertion by the IMF gives a holistic view of globalisation; it tends to touch on different aspects of society and how various societies can integrate, interconnect and be interdependent on one another. Meanwhile, the new age of global capitalism requires the re-establishment of global relationships, by an understanding of modern constructions of financial, political, and cultural authority, as well as memories of previous radical visions of society such re-establishment can be informed (Dirlik, 1997).

Waves of globalisation

This paper identifies that in contemporary times, globalisation has gone through two different waves and is currently undergoing the third wave. Although, the three waves of globalisation are not clear-cut from one another. In the mid-19th century, the very first wave of globalisation started in modern history. It was dominated by the United Kingdom (UK), and the focus was a sustained economic development triggered by the enhanced use of manufacturing and transportation techniques created during the industrial revolution, aided by the colonial empire-building phase (Straw & Glennie, 2012). This wave of globalisation came to an end after the Great Depression and the two World Wars.

Following World War II, the second wave of globalisation began. This wave witnessed two phases. The first was the establishment of the organisations of the IMF, Bretton Woods, and the World Bank. It was at this point that the oil shock and persistent inflation combined with stagflation was experienced in the period of the 1970s; these events discredited the Keynesian macroeconomic post-war settlement. The Bretton Woods system came under increasing pressure due to the immense growing costs of the Vietnam War and the structural reform programme 'Great Society' which led to the deficit of the US budget. Hence, the second phase ensued a different economic model shift to deregulation, and liberalisation to increase development that eventually dominated UK and US financial policies and profoundly affected the IMF and the World Bank.

The third wave of globalisation started after the Berlin Wall collapsed in 1989 (Johnson, 2008). Innovation in the world of information technology waxed up with the introduction of the internet, microprocessors, computers and mobile telephones. This wave has opened up the global market like never before with the United States, the European Union (EU) and China currently eclipsing the existing international market, While also other emerging economies such as India and Brazil are catching up.

Impact of colonialism in Africa

The African states of today stemmed from the colonial regime in the early 1960s. It seems logical to assume that the attitude of the state today reflects this history (Bigsten & Durevall, 2004). From the colonial period to this current moment, African countries continue to be plagued by much financial and political stagnation. The continent is struggling with economic growth, mass poverty, the introduction and enforcement of democracy and much dependence on the use of coercion over its people by the governments. It is pertinent to look briefly at African history from the pre-colonial period up to this time to understand where things got twisted and to look at possible ways of redressing issues affecting the continent's full integration into the competitive world market economy like other emerging economies. Africa requires to reflect profoundly on its history as it refers to the circumstances of its current existence and its future. A people's history tells them who they are, things they have been through, the real point they are, but most importantly, where they have to go. Actual African history should be a strong argument against colonial history used to enslave the African people and further neo-colonise them.

Colonialism was the most significant factor in contemporary African states' development. It defined the limits of the states and gave it state structure - constitution, administrative frameworks and organisation. Also connected Africa with the global economy in an inside fringe relationship. Colonialism, as well as its financial requirements vehemently changed many African societies' power structures and lay the foundation for African economic development's subsequent issues. By and large, in examining the present condition of the states in Africa, we should not make the mistake that many have made by assuming that there were no states before the pilgrim experience. Limited knowledge of the pre-colonial time gave birth to so many assumptions which are aspects of African states' crisis. Ayittey (1991) argues that although there were pre existing state formations present in Africa and even when it seemed

that there was no state formation, there was an expansive sort of African pre-colonial political processes - 'stateless' or acephalous social order. In the stateless social orders Ghana's Tallensi, Nigeria's Igbo, Liberia's Kung, Somalis, Uganda's Jie and Kenya's Mbeere were incorporated. Then again, state social orders which join a few social orders vanquished in battle or deliberately relinquished to another. States as such, have an authority integrated (symbolised in the head leader).

Either in the state or the stateless social order, there were specific pre-colonial African political associations with basic essential characteristics. Firstly, the states were worried about the welfare of every one of its natives. Some continued to label it "communalism," rather the focus was that the welfare of each portion was paramount, as opposed to only a few within the community. Secondly, the general public was sorted out for political purposes on the premise of heredity: along these lines, the genealogy associated with the family to the state was guaranteed. The condition of most extreme mainstream bolsters additionally found out such state approvals can be provided in a viable manner. Thirdly, for focused energy, there was an explicit rejection, it was the *raison detre* for stateless political structures. In stateless social orders, a pondering effort is produced to ensure that each state was sufficiently vast to safeguard itself, yet sufficiently small to have an internal connection.

The colonial states were states made and managed by the drive of arms. As a condition of success, it without a moment's delay uprooted and degraded pre-colonial states' foundations. For two reasons, it did this. First, the imperial states relied on a racial prevalence hypothesis best stated in the 'Dual Mandate' of Lord Lugard. Consequently, it had to replace any 'inferior' organisations it found. Secondly, even to carry out the prevailing agenda of extracting resources for the advantage of the metropolis, the colonial powers were short of staff. It embraced an 'indirect rule' scheme in order to ensure good governance by transforming local chiefs into local power brokers with absolutist forces comparable to those of the imperial governors. The colonial officials developed 'warrant chiefs' even when those stateless societies existed.

Africa economically was not separated from the remaining of the globe before Colonialism. Indeed, since the pharaohs of ancient Egypt, African societies had participated in international trade, and West Africa had established comprehensive global trading practices specifically throughout Ghana, Mali, and Songhai (Diop, 1987). These enormous empires depended

strongly on taxing foreign trade. These nations' wealth depended heavily on the gold trade, also on the issuing of customs, taxes, booty from overseas ventures, and administrative office charges. Africa had engaged in trade before and after the slave trade era, which falls back to about 400 years ago and also in local manufacturing that supplied a wide variety of consumer goods to Africa. Other forms of industrialisation and technological advancement were invoked in Africa before colonial policies compelled the demise of the indigenous African economy and generated confidence in Europe's imported products.

Assuming the invading powers had supported and developed indigenous companies, Africa would probably have found itself greatly enhanced economically and technologically. Rather, the devastation of African exchange and cooperation were implications of colonialism. The mainland had expanded before Africa's partitioning with exchange taking place in North-South as well as East-West. The ruling invading powers' strategies redirected all African exchanges to the display of new international fare, there is little in the way of African exchange today, in this way and thus the pattern of financial reliance remains.

In as much as few scholars and writers believe that colonialism has assisted in integrating Africa into the global system believing that Africa is better off with colonialism rather than its pre-existing system, most African scholars and writers blame the colonists for disconnecting the African states from its past and its people through a weak foundation built by them. Africa's problems run from the above historical appraisal of the pre-colonial to the post-colonial. Firstly, the African states got disconnected from their past alongside altered their progress in terms of domestic trade and technological advancement compared to Europe. Secondly, the link between African societies and their people has meddled.

Peculiarities of China, India and Brazil to African economy

About thirty to forty years ago, just like other African states, China, India and Brazil were nowhere to be found in active participation in global international trade. These emerging countries were faced with severe economic problems but decided to tackle their economic backwardness. Thus, these countries looked inwards and developed strategies that would put them on the right track towards significant and sustainable growth and development. China and the others are now beginning to enjoy the benefits of market competition in the global market economy. Globalisation is seen as a drive to nature's commercial equivalent, while it encourages nations to specialise and exchange, rendering them prosperous and the globe

smaller (Clinton as cited in *The Economist*, November 19, 2016). China is currently the world's hub for commerce and manufacturing. It supplies most countries of the world with goods and services at less expensive rates, making them the second-largest economy in the world after the United States.

India is waxing stronger in its involvement in Information and Communications Technology (ICT). Swaminathan (2007) explains that India's telecoms sector is the largest world telecommunications market. India is one of Asia-Pacific's fastest-growing ICT security markets. With its Information technology activities and other areas like agriculture and medicine, the country is getting itself relevant in the international community. While, Brazil fully engages itself in producing commodities such as iron ore, sugar, soybeans, petroleum, poultry, motor cars, and aviation crafts chiefly for exports and therefore making itself significant in the global market and politics.

A peculiar phenomenon that cuts across these countries is their human capital resources. China is over 1.3 billion, India is over 1.2 billion and Brazil has over 200 million people. Population in a way has given them some advantages to participate favourably in the global market competition as they are utilising their human and natural resources at an improved optimum rate to boost their economies. However, as observations have it, even though the above-mentioned Gross Domestic Product (GDP) of these countries are high compared to their Human Development Index (HDI) which is lower than that of the Advanced world such as the US, EU, and Japan, the fact is that these nations are taking drastic measures and making progress in reducing the level of poverty in their respective countries.

It is pertinent to note that these three emerging countries share some historical and social roots with the African communities. The African states need to emulate some of the models used by these emerging countries like looking inwards, developing indigenous technology, and specialising and diversifying its economy. Revisit some models used in the pre-colonial African context and the ideas of some great African scholars and thinkers like Julius Nyerere, Kwame Nkrumah, Nnamdi Azikiwe, and others for the sustainable growth and development of Africa by promoting Africa's unity, cooperation, integration, and democracy. Importantly, the formulation of new and improved models indigenous to African society. Although this would need a strong political will by the leaders if it is to be achieved.

Bearing in mind that the advent of the third wave of globalisation gives African states yet another opportunity to tap into the gains of the global market competition and benefits. The increased market competition is one of the significant characteristics of the current globalisation wave, unlike the previous waves that the UK, and the US, have had strong hegemony, respectively. The third wave gives more significant opportunities for many countries to participate. China is today the leading country among the emerging countries actively participating in the international market. Addressing the flow of Africa's issues by taking clues from the three leading emerging powers, specifically China, India, and Brazil would have tremendous ramifications for Africa's yearning for sustainable growth and development (Alden, 2007).

Cooperation and Diversification in Africa

It is time for the continent to look back at its history for a better understanding of its evolution and adopt proper developmental models and strategies with sincerity of purpose and political will by the leaders to put Africa on the path of development like China, India and Brazil have done. Emerging countries are now looking inwards while increasing engagement with their regional bodies, creating homemade models to promote sustainable growth and development, strengthening their institutions, and investing heavily in technology, education, and research. Also, diversify and specialise in some areas to give them an advantage over other countries of the world. Since most African countries have geographical contingencies and cultural affinity, it would be much easier to integrate fully, cooperate and develop indigenous models to help advance the continent.

Although there are different views of how the African states can fully integrate into the global market economy and become active participants in trade deals with other countries or regional bodies rather than being marginalised in the global market economy. One central point that cut across thoughts is the open border policy among African states and also increased partnership among African states. Open border policy will foster more significant trade and free movement of people (ideas) and commodities among African states. A collection of cross-country research infers a beneficial connection between trade among countries and development, although some studies have raised some doubts (Easterly, 1993; Rodriguez & Rodrik, 1999). Countries benefit when they remove barriers mutually.

The African states under the aegis of the African Union and other regional groupings have in the past formulated developmental plans, but are unable to implement and execute the majority of their economic plans to achieve significant positive results. It was either the plans were not good enough, or the leaders lacked the political will to implement or execute such plans. An example of such a plan is the 'open border policy' which is supposed to facilitate trade and investment among member countries. Interestingly, in what is seen to be a welcomed development, most African nations signed the African Continental Free Trade Agreement (AfCTA) aimed at establishing a tariff-free Africa which would develop local companies, improve intra-African commerce, increase industrialisation as well as generate more employment, however, the full implementations remain a major challenge.

The African economy needs to diversify its production. The continent produces virtually similar commodities that are homogeneous commodities which are mostly agricultural commodities and mines for exports. If the 55 countries under the aegis of the African Union which happens to be the most significant international economic grouping in the continent can diversify and specialise in different commodities, increasing trade among themselves while engaging in the global market as a strong bloc through cooperation.

Conclusion

The African states need to be more active and take full advantage of the current market competition to take a spot in the global market - no more the downtrodden. For the African states to advance further, they need to think of their past and appreciate it for its advancement of the present and future for sustainable growth and development. It is necessary to examine the distinguishing characteristics of countries in Africa as well as introduce new and elaborate models that suit the African society as a whole for increased integration in the path of cooperation, interconnections and interdependence among themselves first before they target outside the continent. Also, the apron strings of most African states are still tied to their former colonists, this ought to be severed. The cost of border control among member states could be channelled to other areas like a joint Africa internal security mission to combat insurgents across Africa, high investment in education, research, science, and technology are of high importance for the continent as it is currently lagging far behind in these areas. It needs to do more to achieve more, and this comes with sacrifice.

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Bio-note

Amune Azemata Paul is a freelance blogger and researcher. He obtained a postgraduate degree from the University of Nigeria, Nsukka/Department of Political Science. He has embarked upon both Bachelor's and Master's levels. "Accountability and Sustainable Democracy in Nigeria, 1999-2010" and "Oil Exploitation and Politics of Niger Delta Militants Amnesty Programme in Nigeria, 2009-2013". Recently, he obtained a postgraduate degree in International Cooperation on Human Rights and Intercultural Heritage at the University of Bologna, Italy.