

## Africa and Globalization

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Africa is already entering in the globalization. Globalization should be seen as the mutual flow of goods and services that will contribute to dramatic change. However, in Africa, the impact of the process has either been minimal or negative and the phenomenal increases in global trade have largely bypassed the continent. So Globalization needs to be looked at in terms of the major challenge facing Africa -- poverty reduction and eradication.

Globalization has widened existing inequalities and marginalized developing countries, and the current international economic system has placed obstacles in their way. Africa's share of global exports and trade has also declined because the industrialized countries have protected themselves from the continent's dynamic exports. All action should be taken at global, regional and national levels.

Since 2000 there has been some remarkable growth on the continent. However, to reduce poverty by 2015 to the level advocated by the international community, African GDI must grow by more than 7 % by year. Sustainable development, human capital development, structural diversification of economies, and macro-economic stability are some of the key factors that will push African countries towards economic growth.

The ratio of foreign direct investment to gross domestic income has declined by half in the African countries. The flows coming in are concentrated in few countries such as Nigeria, Angola and some oil producing countries. The flows are also not going to sectors with the greatest opportunity for technological transfer. Fifty % is going to countries with oil and related industries and the rest to States with mining industries.

Inadequate policies are being applied. The issue is basically one of measures to be taken to address the problems. Action has to be taken in order to have a better political environment. Africa is losing its shares in its traditional exports and intra-regional trade and cooperation are not increasing.

In Africa the political rationale and impetus for regional integration is strong, and has been from independence. There can be no development without industrialization, and

for Africa, economic integration will provide the next step towards development. Africa was the only part of the world that will be forced to industrialize without the preferences others had received in the past. Markets are imperfect, so some form of government intervention will be required.

For African leaders it has become even more important with globalization and marginalization. Africa is the most subdivided continent, with 53 countries. Economic integration will give a more powerful voice to Africa, both politically and economically.

African countries recognized their primary responsibility for their own development and have therefore undertaken major reforms of their economies and improved macro-economic management.

But for these reforms to succeed, a supporting international environment is essential. A major obstacle to Africa's economic development is the lack of sufficient development finance to invest in human resources development and physical infrastructure, which are essential for sustained development and growth. ODA has fallen to historically low levels precisely at a time when it is most needed and when policy reforms are rendering aid more effective. Greater support for infrastructure development, including road and rail networks, telecommunications capacities, computer systems and port facilities, would leave a tangible mark while generating employment, expertise and revenues. In addition, investment in human resources must be recognized as a driving force for development and long-term competitiveness.

Concrete measures are required to enhance the capacity of African countries to participate in and benefit from the global trading system. Development partners, such as donors and International Organizations should provide bound duty-free and quota-free market access for products originating from African countries.

In that end, speakers of this second session were completely right to emphasize the role of education, brain gain, good governance and diffusion of African own culture for the future of Africa.