

Chapter 8

Deglobalization and Globalization Concerns: Which Way for the African Continent?

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ABSTRACT

In the 21st century, nations are oscillating between globalization, deglobalization, protectionism, and localization. Issues considered while making decisions on what policy to follow include the economic boom, the slump in the economy, and politics. Nations adopt protectionism despite its known negative effects because of political reasons. The size of the economy of the developed countries allows them to implement these policies and withstand any adverse effect arising from isolation or retaliatory actions. The African continent cannot afford to find itself in this war between two elephants. Hence, the chapter reviewed the options available to Africa and recommended the adoption of localization aimed at building size and presenting a common competitive advantage that member states of the local bodies can employ. The chapter recommended certain changes to be made in leadership and mode of operation to avoid localization going the way of globalization.

INTRODUCTION

Globalization was initiated to create a single village with the free movement of people, goods, and knowledge across borders. Past authors have questioned the effectiveness of globalization across nations (Prah, 2000; Ngwane, 2001). This has led to various forms of integration, such as deglobalization, protectionism, localization, and individualism (Leblang & Peters, 2022; Kim et al., 2020; Vargas-Hernandez, 2022). Africa has two challenges: globalization has performed poorly in the continent (Prah, 2000; Ngwane, 2001) and has not articulated actions to compete in the various forms of world integration. Africa needs to define how it integrates with the rest of the world in the future of world integration.

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Africa can no longer stay aloof and watch a repetition of what happened to its economy during and after the current cold war. Africa must find answers to some critical questions. The big questions this chapter addressed include:

- What is the actual state of Globalization in Africa?
- Did globalization deliver the expected benefit in Africa?
- Where is the world heading?
- What should the African continent do to get better results in any future form of world integration? Are there structural changes the continent should make to prepare for the next wave of globalization?

This chapter addressed these questions to help policymakers position the continent for what happens in the game of chess to determine the future of globalization. Answers obtained led to the recommendation of what form of future world integration Africa should adopt.

The origin of globalization is as controversial as its definition (Amah, 2019). Since people of old depended on each other to certain levels, perhaps globalization is as old as human history. For example, the concept of the community came up in Africa when people lived together for the mutual benefit of each member of the community (Michalopoulos & Papaioannou, 2013). The historical perspective of globalization divided it into three eras: globalization of countries, companies, and individuals (Friedman, 2005). The ultimate goal of globalization was to make the world a single village in which there is no barrier to the movement of goods, people, and technology.

Based on this, globalization is defined as “The free flow of goods and services, human resources, and capital across national borders that is facilitated by the free flow of technology in such a way as to affect the economic development of nations and well-being of societies” (Amah, 2019, p.12). This definition is robust enough to include all aspects of the integration of nations and people to enhance the economic and other parts of national development. The level at which globalization has led to the single village as envisaged by the original concept of the term is questionable. Globalization made progress in some aspects of globalization and some countries before Covid-19.

Authors have questioned the importance of globalization in situations where the African continent does not have a competitive advantage in producing any finished goods (Amah, 2019; Bodomo, 2017). This belief has led to the polarization of researchers into two blocks. In the first block, the anti-globalists think that globalization was a plot by the western world to enslave the continent, knowing there is nothing the continent will benefit from globalization (Prah, 2000; Ngwane, 2001). In the second block, the pro-globalists state that globalization was beneficial to the continent, but environmental and leadership issues prevented the realization of the expected benefit (Amah, 2019). The pro-globalists listed factors specific to the continent that worked against globalization, such as leadership effectiveness. This debate may not end because of the constant changes in people’s beliefs in Africa and the Western world.

Some powerful western countries, by their policies, have leaned towards total or selective protectionism irrespective of what the world bodies advocate. This action has incapacitated world bodies, such as the World Trade Organization (WTO), World Bank (WB), and International Monetary Fund (IMF). These independent world bodies now operate based on the boundary placed by the western countries. Thus, the world is witnessing a continuum with globalization on one end, protectionism on the other, and both deglobalization and localization between the two.

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