

Is globalization the Deus Ex Machina to global poverty or a myth?**Igbani, Robbins Owede¹**Department of History and International Studies,
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The study examines the intricacies between globalization and global poverty indices. The study seeks to answer the hypothetical question "if globalization is the deus ex machine to global poverty or a myth?" The study made use of qualitative research design in both data collection and analysis. The study reveals that the integration of the global economy through electronic communication driven by ICT has reduced global poverty as evidenced by the service sector contribution to global GDP. Thus, for example in 2013, 2014 and up to 2023, the service sector led by the ICT, contributed 62.27%, 62.21% and 61.78% to global GDP growth against the agricultural and the manufacturing sectors which contributed only 4.14%, 4.13% and 4.12% and the later contributing only 4.14%, 4.13 and 4.12% within same period. The study also reveals that as at 1990, 37.1% of the global population was living on less than \$2.15 but as at 2019, global poverty rate has geometrically reduced to 8.4%. The implication is that more than half of global poverty was reduced, as millions were lifted out of extreme poverty. Significantly, this was due to rise in global economic output leveraging on technology in Agriculture, Industry and Services. The study further reveals that across Africa, particularly in Nigeria, Kenya, Morocco and South Africa; the ICT industry has transformed the financial industry beyond the formal banking payment platform to tech-driven financial companies known as Fintech, which provides smart payment solutions using mobile applications for people outside the banking hall. In 2019, alone Fintech startups in the continent, raised about US\$132.8 million from investors. The study further affirmed that among the 27 members of the OECD countries between 2013 to 2023, the ICT sector grew by an average of 6.3 percent. Significantly, the growth was about three times faster than the combined economy of the 27 OECD countries. This affirmed that truly globalization has the capacity to reduce global poverty, but it's a misnomer to say that been integrated in to the global economy alone without having the enabling business environment to attract FDI, finance capital etc. can lead to shared economic prosperity. Significantly, the lack of enabling business environment particularly in Africa undermines, the supposed gains of globalization as the continent still suffers from an annual infrastructure funding gap of US\$130 billion to US\$170 billion.

Key Words: Globalization, Poverty, ICT, Interdependence, Africa, GDP, Global economy

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Introduction

In September, 2000 the United Nations in collaboration with World leaders, global and regional institutions and development partners like the World Bank, the International Monetary Fund (IMF) the European Union (EU), African Union, Economic Community of West African States (ECOWAS) etc. at the United Nations Millennium Summit declaration, mandated world leaders to set up eight (8) global goals, with a target timeline to monitor the implementation of these development goals. The Millennium Development Goals includes reduction of poverty and hunger, diseases, illiteracy, environmental degradation and discrimination against women. Each of the Millennium Development Goals (MDGs) was given a target timeline up to 2015 as well as indicators to monitor the progress from the 1990 levels. Significantly, the United Nations knowing the deadly effects and weapons of poverty in posing threat to global peace and security prioritized poverty and hunger as twin elements and number one on the global goal target. Thus, the MDG's Goal one and target was to ensure that poverty and hunger are reduced by half by the end of 2015. It was a global target set by the United Nations with a marching order to national governments and sub-national governments in ensuring smooth implementation in a bid to pull millions out of the poverty trap. The question is how many countries in Africa, Asia and Latin America were able to meet up the global development targets of ensuring that poverty and hunger was reduce by half in their home country? Ironically, most countries globally could not meet up the MDGs global target, as poverty is still on the rise, and continue to pose a threat to global peace and security.

Thus, for example in 2014, a year to the expiration of the Millennium Development Goals targets, the World Bank in their 2015 report affirmed that Sub-Saharan African countries were still the worst hit-off in terms of poverty index. As having one of the worst socioeconomic indicators globally, with life expectancy of 56 years, population growth of 2.7%, Gross National Income per capita of \$1,345, and 5.2 million people living with HIV/Aids. The report further state that about 3 billion of the world population found in the developing countries like Nigeria, Ghana, Togo, Niger, etc. lives below \$2 dollars a day with almost half of that population in Sub-Saharan Africa (48.5%) living less than \$1.25 a day.² Thus, in a bid to tackle global poverty the World Bank also setup their own global development targets known as the "World Bank Group twin corporate goals." The twin corporate goals are to reduce extreme poverty by reducing the number of people living on less than \$1.25 a day, to 3% by 2030 and secondly to boost shared economic prosperity by increasing the income growth of the downtrodden or the extreme poor to 40% through sustainable development practices.³

Significantly, in 2015 at the expiration of the UN Millennium Development Goals targets, the United Nations again in collaboration with world leaders set up another ambitious goal known as the Sustainable Development Goals (SDGs) target terminating in 2030. The 2030 Global Agenda for Sustainable

² The World Bank Group, *The World Bank Group A-Z, 2015 Update*. (Washington D.C., 2015), p. 4

³ *Ibid.*, p. xxiv

Development Goals set seventeen (17) global targets with a “No poverty by 2030” as number one goal, followed by “No hunger” as the number two goals. How achievable are these targets is left for time to decide? Hopefully by 2030 a global assessment will be made to confirm whether poverty has been globally reduced to an insignificant levels or not. For example, in assessing global poverty levels, the Human Development Report Office (UNRO) of the United Nations Development Programme (UNDP) in collaboration with Oxford Poverty and Human Development Initiative (OPHI) of the Oxford University in their 2023 Multidimensional Poverty survey report involving 110 countries spanning from 2011-2023, affirmed that 1.1 billion people of 1.6 billion are living or suffering from Multidimensional poverty. The study further affirmed that out of the 1.1 billion poor people, 534 million that is half of the global poor lives in Sub-Saharan Africa. The implication of that report is that Sub-Saharan Africa is home to the poorest people. In Asia the report affirmed that one-third of the 1.1 billion people number representing 389 million people lives in South Asia. The report also affirmed that two-third (2/3) of all the poor people representing 730 million people lives in Middle-income countries while one-third (1/3) of all the poor people lives in low-income countries where Nigeria and most Sub-Saharan African countries belongs⁴

It must be noted that while the World Bank uses monetary poverty in terms of per capita income as a measurement for standard of living; the United Nations Development Programme (UNDP) and the Oxford Multidimensional Poverty Index looks beyond the World Bank’s monetary or income poverty Index. The Multidimensional Poverty Index (MPI) uses three dimensions of deprivations in measuring incidence of poverty, which includes Education, health and the living standard of the people and ten (10) key indicators among which are: nutrition, child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity housing and assets. Thus, the latter is more holistic in the assessment and analysis of poverty incidence. Similarly, the report also states that in Nigeria alone, 133 million people representing (63%) of the population lives in multidimensional poverty. Ironically, 65% of this poor population representing 86 million people lives in the Northern part of the country while 35% representing 47 million people lives in the southern part of the country⁵. The implication is that more than half of the Nigerian populations are living in multidimensional poverty being deprived of access to health, education and living in poor conditions.

Though, global effort in tackling poverty has been hindered by so many factors such as widespread economic inequality, political instability in most African countries such as South-Sudan, Niger, Mali Guinea and Burkina Faso who most recently witnessed military intervention at the detriment of democratic governance. Other militating factors against global effort on poverty includes, the attendant effects of climate change and global warming on food system, flooding, desert encroachment, ocean surge etc. The Corvid 19 pandemic which crippled global economy and rendered global supply chains ineffective leading

⁴ UNDP, &OPHI, *Global Multidimensional poverty index 2023. Unstacking global poverty. Data for High Impact Action.2023*, pp. 1-3

⁵ National Bureau of Statistics, Nigeria Multidimensional Poverty Index, (Abuja; 2022), p. xv

to global pauperization. The Russian aggression and war in Ukraine which has also affected global supply chain for wheats, manufactures and the negative multiplier effect on the cost of energy. Most recently the Israel-Hamas massacre of October 7, 2023 and Israel declaration of war against Hamas in Gaza and the West Bank occupied territories. This has almost snowballed in to regional war with Israel waging war in multiple fronts against the Iranian backed Hezbollah in Lebanon and the missile attack on Israel by the Iranian government leading to cut in global supply chains and rising cost of energy with multiplier negative effect on the global economy⁶. Consequently, the gloomy analysis of the aboveglobal events couple with the interdependent nature of the global economy, will likely spike up global poverty indices as these factors might have negative multiplier effects on the macroeconomic indicators of national economies such as GDP, inflation, interest rate, national debts, unemployment, and fall in national revenue etc.

Therefore, the pertinent question this research seeks to answer are; is globalization the deus ex machina to global poverty? Or is globalization the panacea to global poverty? Has poverty been reduced as a result of global interconnectivity and economic interdependence? Is globalization a win-win for all? What is the place of both the developing countries and the developed countries in the globalization race? These are the questions this research seeks to answer.

Theoretical Framework

According to Rourke as cited in Akpan⁷ by thinking theoretically it help us to build knowledge and gives us a better chance of evaluating and programmes of institutions. According to Smith & Bayliss as cited in Akpan⁸ assert that all international events must have a theoretical foundation or bases and that no academic scholar can claim to lack a theory to support his argument. Theories enable us as individuals and scholars to explain the laws of international politics and recurrent pattern of national behaviours. Therefore, the following theories will be used in explaining the concept of globalization and to also ascertain whether globalization is the panacea for global poverty. These are the Neo-liberalism and Marxism.

- a) **Neoliberalism:** This is a strand of Adam Smith theory of Economic Liberalism known as the "Laissez faire economics" of invincible hands of demand and supply commonly referred to as market forces or the free market economy (capitalism)⁹. Neo-liberalism best explain the ongoing racefor globalization as economies and societies through the aid of technology are increasingly becoming interconnected therefore, promoting global interdependence. Neo-liberalism promotes free trade and competition among economies in both developed and developing countries. Thus, the rationale

⁶ <https://www.statista.com/topics/1467/global-economy/>

⁷Akpan, Otoabasi, "Contending theories of International relations," In An introduction to international studies and world politics, eds. A. E. Ekpe, M. B. Abasiattai, &OtoabasiAkpan (Uyo: Book House, 2012), 34.

⁸ Ibid 34

⁹ Richard Westra, *Confronting Global Neoliberalism Development Theory and Global neoliberalism* (2014): p. 14

behind the promoters of free trade is that if economies or countries open-up their borders by removing tariffs and non-tariff barriers that could hinder free trade, it will promote Foreign Direct Investments thereby, boosting economic activities, and revenue profile of countries. Thus, for example, the developing countries lacks the needed capital, technology and the expertise for economic development, but when economies are liberalized with enabling business environment it will encourage foreign capital to invest in such economies. Therefore, globalization encourages foreign capital to invest in such economies as well as creating more avenues for needed capital to be internationalized for the purpose of foreign direct investment. This will automatically reduce global poverty as more business opportunities specifically in the ICT industry will be created and global output increased. Therefore, in a globalized economy, with the world becoming a global village, a global factory and a global kitchen gives every part of the world an opportunity to showcase what they can produce and those who lacks the natural endowment or comparative advantage will simply depends on others for their imports¹⁰.

- b) **Marxism:** According to the Marxist globalization is a bit of a sham. Notably, Pavehouse & Goldstein¹¹ observed that Globalization is just a buzz-word to denote the latest stage of economic imperialism. As a result of globalization, states are losing their sovereignty to supranational institutions like the World Bank, IMF, WTO and the European Union and Non-Governmental organizations (NGOs). No wonder, one group sees globalization as a function of liberal economic principles of free trade through a single market structure. For example, as a result of the global interconnectedness, capital flows for foreign Direct Investment has increased. The Multinational corporations who are the world business managers now penetrate every nooks and crannies of the globe with financial services been integrated through technological innovation. These Multinationals are owned and control by the West, Japan and now China. Thus, globalization is high tech driven in production, transportation and communication dominated and driven by the core countries while the periphery countries are only reactionaries of that effects.

For the Marxist¹², the phenomenon called globalization is nothing but the latest stage in the promotion and development of international capitalism which seeks to exploit the poor countries of Africa, Asia and Latin America through trade, FDI and finance capital through the activities of the Multinational corporations who are agents of capitalist interest. For the Marxist globalization will further deepen the dependency and the economic divide between the core and the periphery countries. According to them globalization is driven by the West and its globalist institution like the World Bank, IMF and the WTO whose only motive is exploitation of the poor countries. Thus, globalization is a continuation of what V. I. Lenin his book "Imperialism is the highest stage of capitalism" affirmed that imperialism is a continuation of capitalism or the latest in the development of capitalism. Kwame Nkrumah also liken this analogy

¹⁰Aja, Akpuru-Aja, International Economic Relations. (Uturu: Data Globe, 2001), p. 27

¹¹ Jon C. W. Pavehouse & Joshua S. Goldstein, International Relations (11th Ed.) (Washington: Pearson, 2013), pp. 15-16.

¹² Steve smith, Patricia Owens & John Baylis, Introduction: Globalization and its precursors, ed. John Baylis, Steve Smith and Patricia Owens (New York University Press, 2011), pp. 8-9

in book as “Neo-colonialism as the last stage of Imperialism”¹³ Therefore, the present attempt by the West in trying to integrate the national economies through electronic communication using ICT as the enabling vehicle, to integrate the global economy is therefore, an attempt to indirectly integrate the national economies in to the global capitalist system spearheaded by globalist financial and economic institutions like the World Bank, IMF and the World Trade Organization. Thus, this attempt is aimed at further deepening the dependency syndrome of the North-South economic divide in terms of trade and finance capital.

Globalization in Historical Context: An old wine in a New bottle!

The concept of globalization is not a new phenomenon; it is an old wine in a new bottle. The only innovation to the globalization process is the introduction of productive technology through electronic communication which has made the global connectivity and interdependence more robust with disappearing borders, tariffs, and states losing their sovereignty. States are losing their sovereignty because they are no longer in close unit but opened as one can stay in any part of the country to transact business with other countries through electronic means without necessary going to that country. A business man in Nigerian can stay in the comfort of his home and place an order for imports and make payments through electronic transfer and goods will be delivered. Therefore, making the world a global village, and a global factory increases global interdependence. Thus, technology is the key to the modern globalization system. European penetration of Africa in the 15th century was an attempt to integrate the global economic system. It is on record that after the fall of the Eastern part of the old Roman Empire known as the Byzantine Empire by the Ottoman Empire in 1453, this led to the beginning of the Renaissance, meaning rebirth in learning and in arts of the Greeks and Romans civilizations. The Renaissance awakens the spirit of curiosity and this led to major breakthrough in sciences, medicine, astronomy, geography etc. It also led to the age of reasoning in Europe, the reformation and the age of discoveries and voyages in Africa, Asia and the Americas¹⁴.

Thus, before the Renaissance little was known about the material world. The only continents that were known to mankind were Africa, Asia and Europe known as the “Old World” and the belief was that the world was flat and not spherical. Significantly, with the Ottoman taking over from the Byzantine Empire and the Muslims blocking the silk-road from the Middle-East to the Far-East (India, China and Korea) hinders the European from participating in the trade for spices, gold, silk, and pearls; thus, the need for an alternative route to the Far-East became a necessity¹⁵. Consequently, in 1488, Bartholomew Diaz set the pace when he sailed through the Southern tip of Africa known as the Cape of Good Hope. This opened the door for Christopher Columbus voyage, when in 1492 he embarked on the transatlantic voyages, with the believe that if he sails

¹³ Ake, Claude, A political Economy of Africa (Nigeria: Longman, 1981), p. 20

¹⁴ Alapiki Henry, “The Political Economy of Globalization” in The Political Economy of Globalization, ed. Henry E. Alapiki (Port-Harcourt: Amethyst & Colleagues Publishers, 2005), pp. 214-215.

¹⁵ Aja, Akpuru-Aja, International economic relations. (Uturu: Data Globe, 2001), p. 147

West-ward he will get to the Far-East which will pave way for the East Indian ocean trade. However, his many voyages led him to discover the American continent. Significantly, when he landed in the Bahamas, he thought he was already in India and that made him to call the natives as the “Red Indians”. Columbus voyage was followed by the Vasco da Gama voyages; who later discovered the sea route to India through the Indian Ocean.

In summary, European voyages to Africa, Asia and the Americas were all attempt to link the global world, global economy, in to a single market structure for the purpose of trade in what the Historian and Political scientist called economic imperialism. V.I. Lenin in his work referred to it as “Imperialism as the highest stage of capitalism. The European voyages were an attempt to understand the world and partake in the trade for gold, spices, silk in the far East. From the 15th century, the imperialists led by Portugal, Dutch, Spain, Netherlands, France and Britain were scavenging for slaves in the African continent. The 400 years of the trade in slave also led to the era of the industrial revolution which started in Britain and later spread to other parts of Europe. The abolition for the trade in slave finally came in the 19th century, which was followed by the era of legitimate trade in palm oil and other articles of trade in Africa. The unhealthy competition and rivalry among the European powers necessitated the need for the Berlin colonial conference of 1884/1885 when African territories were balkanized among the colonial powers in the 19th century and that was the beginning of colonialism in Africa. This saw Britain through the help of her trading company; the Royal Niger Company taking more than two-third of the territories in African, followed by France¹⁶.

The economic linkages and dependency syndrome created by the colonial economy in ensuring that the West (America and Europe) specialize on the exports of manufactured products while the periphery countries specialize on agricultural raw materials as exports has continued in post-colonial Africa, Asia and Latin America. However, with technological innovation by the imperialist and capitalist, the interconnectedness and interconnectivity has increased globally due to the revolution in science and technology specifically in the transportation and electronic communication sector making the world a global village, a global factory and a global kitchen. It has also created a single market structure for the global community with astronomical increase in capital flows, Foreign Direct Investment, and market integration¹⁷.

Meaning, Nature, and Impacts of Globalization on the World Economy

The concept of globalization has received diverse scholarly definitions and interpretations. Though the concept is not a new phenomenon but some scholars continue to misconstrue the origin, meaning and nature of the word globalization. According to Smith, Owens, and Baylis,¹⁸ “Globalization can be

¹⁶ U. O. Umuzurike, *International Law and Colonialism in Africa* (Enugu-Nigeria: Nwamifa Publishers Ltd., 1979), p.24.

¹⁷ Martin Khor, *Globalization and the South: Some Critical Issues* (Ibadan: Spectrum books Ltd.), pp. 2-3

¹⁸ Steve smith, Patricia Owens & John Baylis, *Introduction: Globalization and its precursors*, ed. John Baylis, Steve Smith and Patricia Owens (New York University Press, 2011), p.8.

defined as the process of increasing interconnectedness between societies such that events in one part of the world increasingly have effect on people and societies far away". The increased interconnectedness is driven by a function of productive technology which is majorly in two ways namely the modern transportation system and the electronic communication. The modern transportation system includes the aviation industry, the modern speed rail industry which has revolutionized the transport sector in terms of time and space in delivery of goods and services thereby, increasing the interconnectedness and interconnectivity of the global economy. The electronic communication is a function of productive technology; it is the kernel and driver of the globalization process and agenda. The electronic communication includes the internet, or World Wide Web search engine such as Google, Chrome, Firefox, and more significantly, the social media which includes Facebook, Twitter, LinkedIn, Youtube, Snapchat, WhatsApp, Instagram, Tiktok etc.

It must be noted that the only difference between the old and the new globalization is the introduction and application of science and technology in terms of electronic communication which has not only increased global interconnectedness or connectivity but has also increased global competitiveness in terms of increase in production output, movement of finance capital, Foreign Direct Investment (FDI), and the activities of the Multination activities who can best be referred to as world business managers and movers and shakers of the global economy.¹⁹ It must be noted Multinational corporations as economic giants are dominated by the West; the European Union and the Americas. In Asia, Japan, China, and India are also leading in the ICT industry specifically in manufacturing and export of semi-conductors. China has almost emerged as the global leader in the 21st century pioneering most productive technology in aviation, automobile, Artificial Intelligence and robotics, modern medicine, high speed rail etc. and exporting them across the globe. China has almost over taken the United States of America in terms of GDP growth in ICT and other technological innovations.

The Transnational corporations are the drivers of both the old and the new globalization process in terms of their investment in productive technology such as the telecommunication industry and the transportation sector in terms of aviation, shipping and airlines which has astronomically increased global output and competitiveness for goods and services. Thus, globalization has created global interdependence in terms of demand for goods and services, as no country is self-sufficient in human or natural resources. Significantly, as a result of the global connectivity, political leaders have been able to identify transnational issues that constitute a threat to global security such as climate change, human trafficking, terrorism, nuclear weapons, pollution, biodiversity, desertification etc. and tacking them collaboratively through multilateral diplomacy.

Rourke, as cited in Aja²⁰, defines "Globalization as the greater openness of national and international economies to the flow of trade capital, science and

¹⁹Aja, Akpuru-Aja, International economic relations. (Uturu: Data Globe, 2001), p. 47

²⁰ Ibid., p. 144

technology, FDI, market integration and offering. It signifies the ever growing importance of international trade to the various peoples and nations of the world.” The economic implication of this interconnectedness driven by productive technology is that the globalization process has created a single market structure, a global village, a global kitchen and a global factory based on shared values of capitalist or free market orientation. Thus, the global community cooks and dines in one table but what make a country’s soup sweet are the ingredients or spices at their disposal (productive forces). These ingredients are the availability of productive technology, human capital, finance capital and visionary leaders to drive the macro-economic policies of individual country in terms of creating an enabling business environment through the “Ease of Doing Business” indicators and building critical infrastructures to attract Foreign Direct Investment and finance capital.

Significantly, how developed a country’s productive forces determines the level of economic output globally. Also of note is how integrated the various sectors of the economy such as Agriculture, industry and the service sector equally determines the productive base of the economy. In countries of North America, the European Union, China, and the Asian Tigers, the raw materials from the primary sectors of the economy such as wood, rubber, diamond, gold, cobalt, oil, grains, etc. feeds the secondary sector of the economy. For example, countries like Japan has no known raw materials but because of the abundance of intellectual human capital formation over the years, the export of semi-conductors has not only kept the economy afloat but has reproduced shared economic prosperity for the average Japanese.

Consequently, the question one must ask is that; who are the winners and losers of the present globalization process? This is because the cobweb structure of global interdependence is seen mostly by many as a continuation of Western imperialism or the latest development of the international capitalist system. The industrialized North or the core countries who are the drivers of the globalization process, are the home of productive technology, finance capital and Foreign Direct Investment²¹. Thus, they stand at a vantage point in the race for globalization compared to the developing or periphery countries of Africa, Asia and Latin America who are the at the receiving end of the globalization process. It must also be noted that globalization is more than just the flow of money and commodities. As noted earlier, globalization is the growing interdependence of world people and activities through shrinking space, time and disappearing borders. Therefore, from the analysis above, globalization as a panacea for global poverty reduction is both in the affirmative and negative which will be given due consideration in this work.

Africa and the Race for Globalization: The Pains and Gains

Though, Africa is still the epicenter of global poverty but however, it has made an arithmetic progression in the fight against poverty. The continent has innumerable natural and human resources that can turn the fortune of the continent around but due to bad leadership and systemic corruption in both

²¹Martin Khor, *Globalization and the South: Some Critical Issues* (Ibadan: Spectrum books Ltd.), p. 4

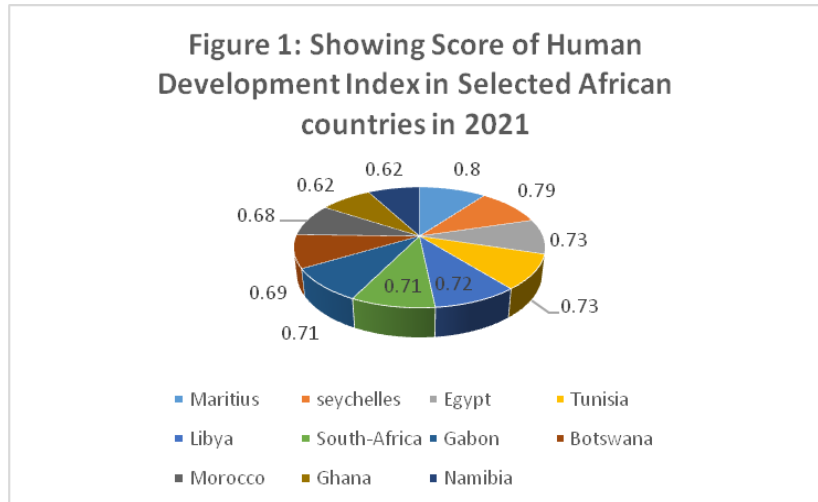
public and private governance. It is a typical description of Karl Tarry Lynn in her 1997 classic "Paradox of Plenty and Resource Curse thesis" where she argued that mineral-rich countries such as Angola, Venezuela, Nigeria, Zaire (D.R. Congo) did experience negative and worsening economic outcomes due to the Dutch disease and rentier syndrome of these economies²². Thus, for example in measuring poverty, the United Nations Human Development Programme looks beyond the World Bank monetary or income poverty but rather uses the Human Development Index (HDI) in measuring poverty by highlighting the development status of countries globally. The UNDP looks beyond economic growth indicator or per capita income as a basis for measuring poverty.

The World Bank model of monetary poverty or income inequality as a measure of poverty and development has been criticized as not comprehensive enough and does not portray a true reflection and the underlining condition of the people. Thus, the United Nations Development Programme looks beyond just monetary poverty or income and uses other indices such as health in terms of life expectancy at birth; access to education in terms primary school enrolment, and mean years of schooling in measuring poverty. Again, while the World Bank classifies countries on the basis of income as a measure of poverty and development using indices such as "Low income countries, Middle-Income countries and High-Income countries," the UNDP measures poverty and development using the following indicators:

- I) Very High Human Development (0.8-1)
- II) High Human Development (0.7-0.79)
- III) Low Human Development (0-0.49)

Ironically, most African countries specifically in Sub-Saharan African countries, notably in Central Africa and West Africa such as Nigeria, D.R. Congo, Sudan, Niger, Chad etc. bedeviled by poor leadership, terrorism and resource conflict fall in to the category of "Low Human Development Index of 0-0.49. Consequently, for almost two decades, between 2004-2021 Sub-Saharan Africa only managed to move from 0.45 in 2004 to 0.55 as indicator for "Low Human Development." Thus, the region was still lagging behind other region in the Human Development Metrix. Though, some African countries had within this period made significant leap in all the key indices such as education, health and per capita income and fell in to the "High and Very High Human Development Index. Thus, for example within same period, Mauritius scored (0.8: Very High), Seychelles (0.79), Egypt (0.73), Tunisia (0.73), South Africa (0.71), Gabon (0.71), Botswana (.69), Ghana (0.63).

²² Mathias Basedau, Context Matters – Rethinking the Resource Curse in Sub-Saharan Africa. WORKING PAPERS Global and Area Studies. German Overseas Institute, 2005. www.duei.de/workingpapers



Source: Statistita, 2024 but constructed by the researcher

The implication of the above data is that while few countries in Africa like Mauritius, Seychelles, Egypt and Botswana etc. had performed fairly better in the ranking of the Human Development Index, in terms of per capita income, access to quality and affordable health, and primary school enrolment²³; most countries specifically in sub-Saharan Africa have performed miserably and not even sure of meeting the global SDGs target in 2030.

The African Futures & Innovation Programme (AFIP) while examining the economic opportunities and prospects of a regionally integrated Africa in maximizing the African Continental Free Trade Area (AfCFTA) affirmed that globalization has made massive contributions to humanity's prosperity and development. Though, less visible in Africa in terms of economic gains, despite several international agreements and measures designed to boost trade volumes. The African Futures and Innovation Programme, further opined that Regional Trade Agreements (RTAs) can help African countries to implement domestic reforms and open up to global competitive market pressure at a sustainable pace, facilitating their economic integration into the global economy. Trade in Africa is complicated and costly due to high tariff rates and non-tariff barriers, such as inefficient customs procedures, inadequate infrastructure, and challenges in transport and logistics²⁴. It must be noted that the AfCFTA holds considerable promise for economic growth and development for African countries, however, political leaders must realize that the economic gains from AfCFTA will depend on how African countries have positioned themselves to benefit from it, particularly in the short and medium term.

²³ "Human Development Index Score of Africa as of 2021 by country," statista.com, 2 February, 2021, <<https://www.statista.com/statistics/1244496/human-development-index-of-africa-by-country/>>

²⁴ Blessing Chipanda and Jakkie Cilliers, The AfCFTA: Thematic Futures: African Futures & Innovation Programme, 2024, p. 4.

Unfortunately, most African countries are hampered by infrastructure deficit, inefficient customs procedures which causes delay in ports and borders and high domestic economic inequality. Therefore, the African Continental Free Trade Area (AfCFTA) if properly utilized and position, presents a unique opportunity to create an integrated, continent-wide market for its citizens. "It is a vital step towards building the Africa we want in line with the aspirations of the AU Agenda 2063²⁵

Significantly much of the wealth of many developed countries like the US, EU, UK, Japan, China and the Asian Tigers today are related to the extent to which globalization allowed for trade expansion and growth. For example, the economic success of the United Kingdom can be trace back to the 18th century Industrial Revolution, which further laid the foundation for a diversified and highexport led growth through foreign trade. The industrial revolution in Britain became the spring board for industrial development in other parts of Europe such as Germany, France, Sweden, Spain, etc. and the Americas and other developed countries today. Similarly, the economic gains of East Asian countries, such as China, Japan, Hong Kong, Korea, Singapore and Taiwan, are all linked to globalization process; as these economies are not only diversified but integrated through productive technology via electronic communication and transportation. These countries efficiently utilized imported industrial technologies that enhanced domestic productivity and innovation, eventually expanding the value of their exports²⁶. However, importing industrial technologies and knowledge must be complemented by connecting critical infrastructures such as rail, roads, aviation, power. Others are building strong institutions, economic reforms, human capital and financial development.

As noted above Africa is failing to maximize the gains of globalization due to lack of productive technology, intra-regional trade, infrastructural deficit needed to drive growth, weak institutions to enforce law and order and the needed economic and financial reforms and this has made her poorer than the other regions of the world.

Ironically Africa has 18.2% of global population, but only produces 2.9% of global GDP. Its trade is underperforming both in volume and content. Despite its trade having grown in the previous years. Its share of world exports has remained low, stagnant and heavily skewed towards primary goods, despite signing many trade agreements, including the African Growth and Opportunities Act (AGOA) with the United States, Economic Partnership Agreements (EPAs) with the European Union and various trade-investment agreements with China. In 2023, its exports represented only 2.2% of world exports. countries like Ghana and Côte d'Ivoire produce about 53% of the world's cocoa. Yet, shops in these countries are stacked with chocolate imports from Switzerland and the UK. The continent's participation in global value chains (GVCs) is

²⁵ Ibid., p.4

²⁶ Ibid., p. 6

hampered by high dependence on primary exports. Primary goods are characterized by volatile prices and lack both technological dynamism and local economic linkages; hence, over-dependence on primary goods translates into unsustainable growth²⁷.

As highlighted above, Africa's lack of connecting infrastructures needed to spur economic growth such as good roads and railways between neighbouring countries such as Nigeria, Chad, Togo, Ghana etc. increases transport costs and creates delays for goods and commuters. It must be noted that Africa's poor and deficit infrastructures and poor maintenance habit of existing infrastructures such as roads, rails, power plants, dams, reduce the competitiveness of businesses and undermine much-needed Foreign Direct Investment and capital flows. Thus, the continent continual poor performances in the World Bank Ease of Doing Business index, could possibly scare away potential investors due to cost in terms multiple taxation, port delays and congestion, non-tariff barriers, poor roads and rail infrastructure, power outage challenges etc. In 2019, only nine African countries were rated among the first 100 in the World Bank Ease of Doing Business Index. For example, in measuring the performances of the Ease of Doing Business in some East African countries such as Ethiopia, Uganda, Rwanda, Burundi, Lesotho, Eswatini, Zimbabwe, Malawi, Uganda, Burundi, Rwanda and South Sudan etc. the cost in transportation are estimated to be about five times higher than in European countries and North America. As many of the countries listed above are landlocked and depends on their neighboring countries for access to the sea. According to the African Development Bank, "Africa has an annual infrastructure funding gap of US\$130 billion to US\$170 billion, with an annual financing gap of US\$68 billion to US\$108 billion."²⁸ This is one of the major bane to the gains of the globalization process.

However, as noted above, in spite of the poor economic performances of most African countries, which has eroded the supposed gains from the globalization process, few had made significant gains. Those gains are specifically in the ICT sector; the spring board of the globalization process which has revolutionized other sectors of the economy such as the financial industry, sales, agriculture, manufacturing etc. In leveraging on the gains from the ICT sector in 2008, the Nigerian government implemented the World Bank policy reforms in the financial sector known as the Integrated Personnel and Payroll Information System (IPPIS), aimed at curbing public corruption in governmental Ministries, Department and Agencies (MDAs). The essence of the World Bank Integrated Personnel and Payroll Information System (IPPIS) was to curb payroll fraud, increase accountability and efficiency in payroll administration and human resource recording in the MDAs. It is estimated that the deployment of the IPPIS technology during the 3 years' pilot phase of the programme in six MDA ssaved the Nigerian government 12 billion Naira²⁹ (US\$120 million). Again, with the full deployment and implantation of the IPPIS on the 585 government MDAs,

²⁷ Ibid., pp. 6-7

²⁸ Ibid., p. 9

²⁹eTransform Africa, ICT Competitiveness in Africa, 2012, p. 16.

between 2017-2019, the ICT driven technology also saved the nation N361 billion from personnel cost arising from payroll fraud.³⁰

Across Africa, Nigeria, Kenya, Morocco, and South Africa in particular the ICT industry has also transformed the financial sector beyond the formal banking payment platform to tech driven financial companies known as Fintech which provides smart payment solutions using mobile applications for workers and entrepreneurs outside the banking hall. In 2019, alone Fintech startups in the continent, Africa raised about US\$132.8 million from investors. The continent is home to more than 400 fintech firms with South Africa, Kenya and Nigeria as the three key major tech hubs accounting for a large proportion of Fintech companies. Technological innovation in the continent is gradually evolving with the mobile economy contributing about 3 million jobs and 7 percent to its GDP. The revolution and innovation in Fintech holds huge prospects for Africa, as it attempts to onboard the financially excluded persons outside the banking institution into the formal financial sector. In 2018 alone, Global investment in Fintech peaked at US\$111.8 billion, doubling the value in the previous year, 2017. Notably, in 2018 China led the pack, securing more than US\$18 billion in Fintech investment; the bulk of this investment came from the US\$14 billion Venture Capital (VC) fund raised by Ant Financial, the financial arm of Alibaba and operator of Alipay. Significantly, North America, led by the United States (US), is the world's largest Fintech market and is expected to achieve US\$80.85 billion by 2023. In Latin America, the increase in Fintech projects in Mexico and Brazil is positioning the region as a promising market for investment³¹.

In Nigeria the Fintech firms were the saving grace specifically during the COVID-19 global epidemic, the implementation of the cashless policy and Naira redesign policy of the Federal government in 2023. As at 2018 global Fintech investment Nigeria was over \$100 billion dollars as investors stake their bets and leveraged on this new innovative business model. Fintech reduces operational cost and boost profitability ratio for both investors and customers.

In Nigeria, Africa's second largest technology hub, investors are taking positions or stakes in the country's growing tech ecosystem fueled by attractive fundamentals like the country's youthful and tech-savvy population, increasing smartphone and internet penetration, large unbanked population, among other factors. Over the past eight years (2011 -2018), Fintech investments in Nigeria recorded more than US\$200 million.³²

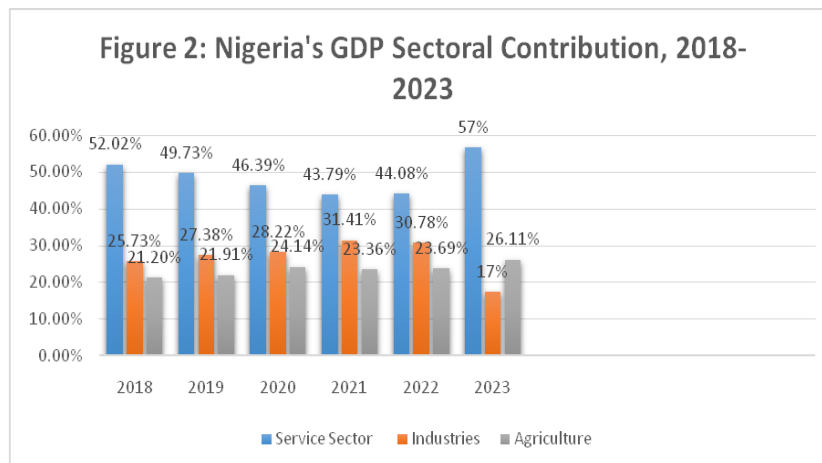
The pace of economic transformation as a result of globalization is so great that it has created a new world politics as states can no longer control their economies due to the interconnectivity. In most countries like Nigeria, the

³⁰ O. O. Folorunso and S. A. Olufemi, "The Gains and Pains of Integrated Payroll and Integrated Payroll and Personnel Information system (IPPI), Policy Implementation in Nigeria". *Journal of Human Resources and Sustainability Studies* 9, (2021): pp. 551-569. Doi: 10.4236/jhrss.2021.94035.

³¹PWC, Changing Competitiveness Landscape: Fintech and the Banking Sector in Nigeria, 2020, p. 3.

³² Ibid., p. 3

Information Communication Technology sector is the largest contributor to the Nation's GDP. For example, in 2023 alone the Service sector which is largely driven by ICT sector, contributed 56.55% to the GDP of Nigeria while the oil and gas sector which accounts for over 85% of foreign exchange only accounts for less than 4.70% of GDP during the 4th quarter of 2023³³



Source: Data gotten from statistita 2024, but chart constructed by the researcher

The implication is that the ICT sector has created huge job opportunities for the teeming youths in Nigeria, who are leveraging on the opportunities created by the deregulation of telecommunication sector through global interconnectivity; all thanks to the Olusegun Obasanjo government for its visionary initiative for deregulating the sector in 2000. The multiplier effect is that it has reduced global poverty and more significantly on the African continent. According to the National Bureau of Statistics, (2023), in 2022 the ICT sector led by the Telecommunication Industry was one of the major pillars of the Nigerian economy. It was one of the major drivers of the service sector which contributed 56.27 percent to the aggregate GDP in the fourth quarter of the 2022.

The telecommunication sector is the major component of the ICT sector, contributing 82.17 percent to the sector's output in 2022. Nigeria has the largest mobile population in Africa and this is expected to continue to grow due to its large youth population. In 2021, mobile communication and services contributed almost \$140bn of economic value in Nigeria and other Sub-Saharan African countries.³⁴

³³

³⁴TemitayoJaiyeola, "ICT GDP Contribution hits N12.49tn over rising subscribers" *The Punch Newspaper*, February 28th 2023

The agency further posit that the sustained growth of the telecommunication industry in Nigeria in terms of numbers of mobile subscription for the fiscal year 2022 pushed the GDP contribution for the ICT sector in real terms to N12.32tn. And that in 2021 fiscal year alone the total number of mobile subscribers grew by 13.89 percent to 222.23 million from the 195.13 million. Significantly, the ICT sector grew by 9.76 percent in real terms. According to the NBS, 2023 “The total contribution of the sector in real terms in 2022 stood at 16.51 percent higher than the 15.51 percent reported in 2021”³⁵

Globalization and Global Poverty in Discourse

As noted above, the concept of globalization is not a new phenomenon; It is an old wine in a new bottle. The only invention and innovation to the globalization process is the introduction of productive technology through electronic communication which has made the global connectivity and interdependence more robust with disappearing borders, and tariffs been reduced. Further, consequence of this global interconnectivity, and interconnectedness is that states are losing their national sovereignty because they are no longer in closed unit or circuit isolated by national borders, oceans and mountains but opened to the increasing global interdependence to both the good, the bad and the ugly. A cosmopolitan culture is also emerging, people are beginning to think globally and act globally³⁶The increasing global integration of economies, cultures, societies due to revolution in the ICT sector has led to an increase in the movement of global trade, finance capital, Foreign Direct Investment (FDI), high technology, market offering, terrorism financing, migration surge, nuclear weapons proliferation etc. as this has had significant impact on global poverty countries across the globe.

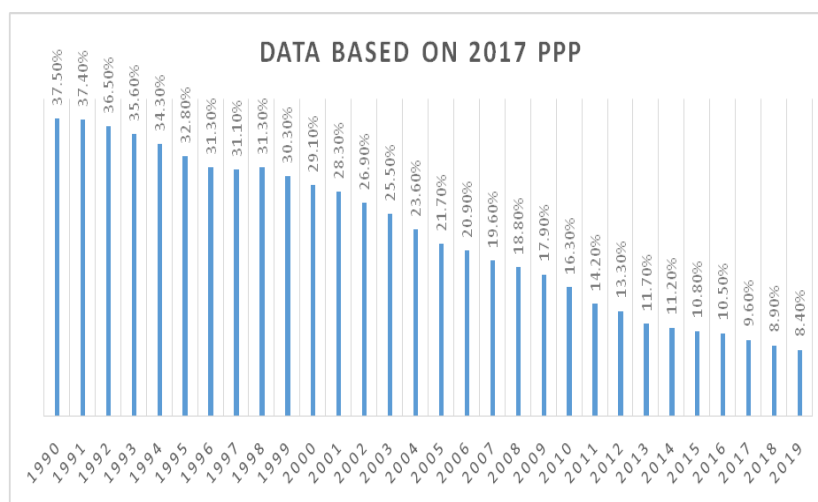
The massive deployment and application of science and technology in agriculture, manufacturing, industry and the service sectors has increased global economic activities in terms of competitiveness, efficiency, production level and high returns on investments to entrepreneurs and investors. Thus, for example in measuring the global Millennium Development Goals performances, there is a considerable reduction in extreme poverty over the last 25 years. For examples in 1990, nearly 50 percent of the population in developing nations like, Nigeria, Botswana, Cameroon, Chad, Uganda etc. lived on less than \$1.25 a day. Significantly, as of 2015, that proportion has dropped to 14 percent. The number of people living in extreme poverty worldwide has reduced by more than 50 percent, all thanks to the growing economic interdependence driven by electronic communication and productive technology application in all sectors of the economy. In 1990, 1.9 billion people were said to be living in extreme poverty, compared to 836 million in 2015. Thus, much progress was seen and witness in the new millennium all thanks to the commitment of global leaders and the organized private sector in their commitment to the implementation of the Millennium Development Goals, 2015. Significantly, the number persons of living above \$4 a day; those in the middle class, nearly tripled between 1991

³⁵ Ibid., p. 3.

³⁶ Henry Alapiki, “The Political Economy of Globalization” In the Political Economy of Globalization, ed. Henry E. Alapiki (Port Harcourt: Amethyst and Colleague publishers, 2005), p. 225.

and 2015. In 1991, this group was only 18 percent of the population, but had rose to 50 percent in 2015. The proportion of undernourished people in the developing countries has also dropped by almost 50 percent since 1990 from 23.3 percent in 1990 to 92 percent³⁷.

Figure 3: A share of the global population living on less than \$2.15 dollars a day, 1990-2019



Source: Data gotten from statista, 2024, but chart constructed by the researcher

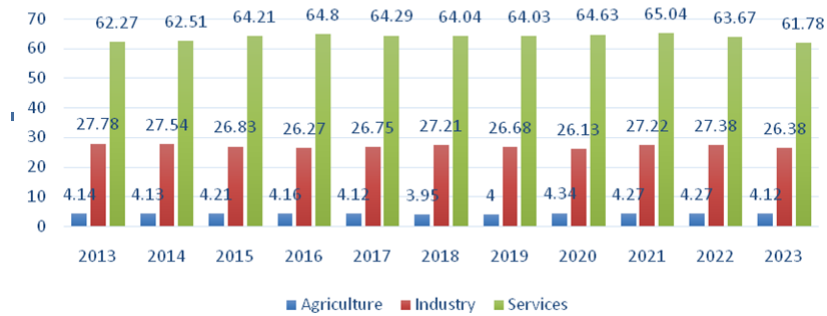
The data above shows a steady decline in global poverty from 1999 to 2019 based on 2017 purchasing power parity. The data is a reflection of the achievement of the global Millennium Development Goals target championed by the United Nations in collaboration with national governments to reducing extreme poverty, and hunger by half in 2015. Significantly, from the data above as at 1990 37.1% of the global population was living on less than \$2.15 US dollars but as at 2019 the global poverty rate has been geometrically reduced to 8.4%³⁸. The implication is that more than half of global poverty was reduced, lifting millions out of extreme poverty. This was due to rise in global economic output leveraging on technology in Agriculture, industry and services. This astronomical leap on global poverty was driven by growth in the service sector of the economy dominated by the Information and Communication Technology (ICT). The ICT sector has revolutionized the global economy through global interconnectivity in finance, trade, Foreign Direct Investment, banking services, insurance robotics and artificial intelligence etc. dwarfing the other sectors of the economy such as agriculture, and industry or manufacturing. However, it must be noted that in spite of the dominance of the service sector in global GDP contribution, the other sectors of the economy such as agriculture and manufacturing or industry have also been revolutionized by the ICT sector. This

³⁷ <https://www.mdgmonitor.org/mdg-1-eradicate-poverty-hunger/>

³⁸ <https://www.statista.com/statistics/1341003/poverty-rate-world/>

has led to increase in global output and more jobs been created for people around the world.

Figure 4: Share of Economic Sectors in Global GDP, 2013-2023



Source: Statista but constructed by the researcher

The chart above shows the dominance of the service sector in global GDP contribution. Thus, for example in 2013, 2014 and up to 2023, the service sector, contributed 62.27%, 62.21% and 61.78% to global GDP growth against the agricultural sector that contributes not just minimally but woefully to global GDP growth within same period at 4.14%, 4.13% and 4.12%. Similarly, the manufacturing sector or industry also contributes minimally to global GDP growth though better-off than the agricultural sector at the range of 4.14%, 4.13 and 4.12% respectively. The implication of the above analysis is that for over a decade the service sector has maintained global lead or dominance in GDP contribution when compared to the agricultural and the manufacturing or industrial sector. Significantly, the service sector is driven by the ICT led by the telecommunication industry³⁹.

³⁹ <https://www.statista.com/statistics/256563/share-of-economic-sectors-in-the-global-gross-domestic-product/>

Table 1: Global Market Share of ICT among Major Economies

Year	US	EU	China	Japan	UK	Germany	India	Rest of the World
2013	26.80%	21.80%	9.50%	8.30%		4.50%		33.60%
2014	27%	21%	10.80%	7.70%		4.10%		33.80%
2015	27.50%	20.60%	12.10%	6.60%		4.20%		33.20%
2016	28.10%	22.10%	11.90%	6.40%		4.40%		31.50%
2017	30.70%	19.90%	12.20%	<u>5.90%</u>		4%		31.30%
2018	31%	19.40%	13.30%	6.90%		3.90%		29.40%
2019	31.30%	19.10%	13%	6.40%				30.20%
2020	31.70%	20.50%	12.30%	6.40%			1.30%	26.80%
2021	34.70%	15%	11.30%	6.20%			2.20%	30.60%
2022	36%	11.30%	11.60%	6%	4.30%	3.90%	2.30%	24.60%
2023	35.70%	11.80%	11.70%	5.70%	4.50%	4.20%	2.40%	24.20%
2024	38%	10.80%	1.40%	4.80%	4.30%	4%	2.50%	24.20%

Source: www.statista.com though, chart constructed by the researcher

The dominance of the ICT sector in the US economy and globally in terms of GDP growth can be seen in the data above. Significantly, for over a decade the US has maintained a clear lead in the global ICT market share followed by European Union, China, Japan, UK, Germany, India and then the rest of the world where the African countries including Nigeria also belongs. Thus, in 2013, 2014 and 2024 the US contributed 26.8%, 27% and 38% as global market share to ICT. This was followed by the European Union with a global market share of 21.8% (2013), 20.7% (2014) and 10.8% in 2024. China also contributed significantly, to the ICT global market share capturing 9.5% in 2013, 10.8% in 2014 and 11.4% in 2024. It must be noted that each of these three regions or countries accounts for over 10 percent global market share in the ICT industry⁴⁰.

Similarly, the 27 member countries of Organization for Economic Cooperation and Development (OECD) in their 2024 annual report tagged “OECD Digital Economy Outlook 2024” posit that between 2013 and 2023, the ICT sector grew by an average of 6.3 percent. Significantly, the growth was about three times faster than the combined economy of the 27 OECD countries. The report further highlight that the ICT sector maintained strong growth performance during the 2023 review with an average growth rate of 7.6% in many OECD countries. But that 2023 fiscal year was a record year for ICT sector growth, in five OECD countries namely, the United Kingdom, Belgium, Germany, Austria and the Netherlands) all achieving growth rate above 10 percent⁴¹. Significantly, while all the OECD countries showed positive ICT growth averaging over 10-year

⁴⁰<https://www.statista.com/statistics/263801/global-market-share-held-by-selected-countries-in-the-market/>

⁴¹ “Growth of Digital Economy,” oecd.org, 14 May, 2024, <<https://oecd.org/en/about/news/press/releases/2024/05/growth-of-digital-economy-outperforms-overall-growth-across-oecd.html>

period, a 10 percentage point gap exists between the highest and the lowest performers. According to the OECD Secretary General Mathias Cormann:

The Information and Communication Technology sector is a key driver in global growth. However, there are substantial difference between countries with a gap more than 10 percent points between the economies with highest and lowest average sector growth rates between 2013 and 2023. Whereas technologies such as cloud computing and internet of Things technologies have diffused widely, adoption of data dependent technologies, such as Artificial Intelligence (AI) remains low. For the benefits of AI to be widely shared, also in support of sustainable, resilient and inclusive growth, diffusion rates must increase in to other sectors.⁴²

It must be noted that much of the wealth of most developed countries today is related to the extent to which globalization allowed for trade expansion and growth. For example, the economic boom of the United Kingdom is tied to its 18th industrial revolution and subsequent export performance through foreign trade. The UK's industrial revolution subsequently provided the basis for industrial development in Western Europe, the United States (US), and other developed countries today. Similarly, the economic welfare gains of East Asian countries, such as China, Japan, Hong Kong, Korea, Singapore and Taiwan, are all linked to globalization. These countries efficiently utilized imported industrial technologies that enhanced domestic productivity and innovation, eventually expanding the value of their exports. However, importing industrial technologies and knowledge must be complemented by connecting infrastructure, institutions, human capital and financial development⁴³.

Significantly, the ICT has contributed immensely to global GDP with positive multiplier effect on global poverty in terms of job creation, wealth creation and boost to national revenue. Thus, for example, as at 2023, and 2024 the US had a GDP size of \$27,357.83 and \$28,781.08 trillion; the largest in the world. This is followed by China with a GDP size of \$17,662.04 and \$18,532.63 trillion; becoming the fastest growing economy in the world⁴⁴. The take home is that these economies are well diversified with the various sectors of the economy horizontally integrated with ICT been the major driver. The multiplier effect is that national output will be increased and jobs will be created thus reducing global poverty.

⁴²"Growth of Digital Economy," oecd.org, 14 May, 2024, <<https://oecd.org/en/about/news/press/releases/2024/05/growth-of-digital-economy-outperforms-overall-growth-across-oecd.html>

⁴³Blessing Chipanda and JakkieCilliers, The AFCFTA: Thematic Futures: African Futures & Innovation Programme, 2024, p. 6.

⁴⁴"Countries with the largest Gross Domestic Products (GDP) 2024," statista.com, 19 September, 2024, <<https://statista.com/statistics/268173/countries-with-largest-gross-domestic-products-gdp/>

The Myth about Globalization and Global Poverty*Global Integration and Shared Economic Prosperity*

One of the major reasons why globalization is not the solution to global poverty is that most countries do not know that getting integrated in to the global economy does not guarantee automatic economic prosperity. It must be noted that once a country removes trade and investment barriers, it requires an educated labour force or human capital, and the enabling business environment in terms of stable monetary and fiscal policies such as tax concession or tax heaven, single digit interest rate, single digit inflation avoiding multiple taxation. The other factors include internet infrastructure connectivity, financial inclusiveness, road and rail infrastructures, stable power supply etc. which is lacking in most of these periphery or developing countries like Nigeria and other Sub-Saharan African countries. The ease of doing business in these countries is so poor thus, hindering economic growth and shared prosperity. For example, according to the World Bank, Ease of Doing Business index ranking for 2020, Nigeria ranked 31st out of 190 countries. Though it was an improvement on the 2019 Ease of Doing Business where out of 131, Nigeria was ranked 146th.

In measuring the performances of Sub-Saharan African countries, in the Ease of Doing Business Index, the World Bank Group's Doing Business study, in 2020 assert that the major economies in the region such as Nigeria and Togo continued to improve on their business climate with major economic reforms to ease business transaction. And that on the aggregate, the region enacted 73 economic reforms with Nigeria and Togo on top of the chart with key reforms such as lowering of fees for construction permits, streamlining property registration procedures, enforcement of contracts, online system for social security contribution etc. Significantly, Kenya, Zambia and Rwanda were also rated as among the world top ten in the areas of starting a business and having access to credit facility. Notably, on the average it takes barely 20 days with an income per capita cost of 33.5% percent to start a new business in the region. Again, on a scale of 0-100, the regional average on the Ease of Doing Business was 5.18 below the OECD average of 7.84 and the global average of 63.0 respectively⁴⁶

The implication is that with the volatile business environment in Africa, part of Asia and Latin America these economies has little to gain from the globalization race considering the poor internet infrastructure which drives the globalization process. Most African countries like Nigeria bedeviled with poor leadership lacks the vision and synergy to drive the infrastructure deficits in the continent needed for economic transformation. Economic growth and prosperity can only

⁴⁵ "Ease of Doing business in Nigeria 2020 Report," bomeresourcesconsulting.com, <<https://www.bomesresourcesconsulting.com/ease-doing-business--nigeria--2020.html>

⁴⁶ "Doing Business 2020: Two sub-Saharan African Countries among most Improved in Ease of Doing Business," worldbank.org, 24 October, 2019, <<https://www.worldbank.org/en/news/press-release//2019/10/24/doing-business-2020—two-sub-saharan-african-countries-among-most-improved-in-ease-of-doing-business>

be guarantee when the needed public infrastructures needed for good business environment are provided.

Global Culture and Global Values

One of the supposed benefit of globalization is that the world is moving towards a global culture, global values and global citizen. The world is fast becoming more homogenous and difference between people are diminishing. The implication is that the values and culture of those promoting or driving the globalization will become the dominant global values. Therefore, apart from economic globalization with imperialism as its mandate, cultural imperialism which connotes the dominance of western values and cultures are now been interpreted as civilizations in Africa, Asia and Latin America. The western culture has become predatory and preying on the periphery culture who are the recipient and reactionaries of the globalization process. Consequently, African societies are the main victim of cultural imperialism with traditional values geometrically retrogressing. Most African societies have lost their voice in keeping their tradition and culture alive. African youths are now the symbol of global values as their dressing, music, thoughts, and mannerism only reflect the predatory western values. Thus, globalization is a new form of mental slavery. Africans, Nigerians, sees everything western or foreign as good, thus they import everything foreign even when they have the local resource and capacity to produce. Thus, governments of African countries spend more foreign exchange importing items that can be locally produce. The consequences of this foreign taste and ostentatious life style for foreign made goods continue to harm the local economy and its local currency losing its purchasing power in international market. Thus, having a worsening terms of trade and balance of payment deficit leading to poor economic growth.

Globalization and the Cost of Interconnectivity and Interdependence on the Global Economy

According to Nye & Welch, “the cost of interdependence can involve short-run sensitivity or long run vulnerability. Sensitivity refers to the amount and pace of dependence; that is how quickly does change in one part of the system bring about change in other part⁴⁷.” The implication is that as a result of the increasing interconnected of the global economy due to electronic communication, information sharing or dissemination can both have negative or positive consequences on the global economy. Thus, one single information can make investors panic and such action can scare or crash the global stock or capital market within a twinkle of an eye. Such action can reduce or increase investors’ confidence on the system or global market. Thus, for example, the US stock market crashed suddenly in 1987, due to panic from foreign investors on the US interest rates, bond and prices of stocks. Again, in 1998, the poor economic outlook in the Asian emerging markets had a contagious or negative multiplier effect on the global economy. The 2008 global economic recession which started in the US as a result of the problem in mortgage finance sector led

⁴⁷ Joseph S. Nye Jr. and David A. Welch, *Understanding Global Conflict and Cooperation. An Introduction to Theory and History*, 10th ed. (New York: Pearson, 2017), p. 308.

to the global economic meltdown⁴⁸. What started in the US had disastrous economic consequences on the global economy in almost all the sectors of the economy due to the chain reaction. The COVID-19 epidemic was not also different as what started in China, quickly had spiral effect on the global economy leading to global economic recession.

The negative cost of global interconnectivity and interdependence was also seen recently in some West African countries bedeviled with poor economic woes as this motivated the military to overthrow democratically elected government. Thus, what started in Mali with the removal of the president Ibrahim Boubukcar Keita by the military on August 18, 2021 soon gain the attraction of the military in South-Sudan. The military in Sudan led by General Abdel Fattah al-Burhan on October 25, 2021 overthrew the transitional government that was supposed to midwife South-Sudan into a democracy after 30 years of Omar al-Bashir regime who was also deposed in 2019. This soon gain the attraction of the military in Burkina Faso, when on January 24, 2022 led by Lieutenant-Colonel Paul-Henri Sandaogo Damiba overthrowing President Poch Marc Christian Kabore. Infact, Burkina Faso had two military invention within the space of eight months. Then the military in Niger led by General Abdouramani Tiani on July 25, 2023 also overthrew the democratically elected government of President Mohamed Bazoum⁴⁹.

Though, most political analyst and conspiracy theorist had alleged that Russian and its Wagner group in the African continent are responsible for the upsurge in coup detat in Africa as most of the citizens were seen protesting with the Russian flag waving and calling for Russia to save their country from their present economic crisis. This was also typical in Nigeria where during the August, 2024 protest tagged “#EndBadGovernance#”against the Federal government for removing petroleum subsidy, floating the naira on the foreign exchange market and the full deregulation of the oil industry saw protesters in the Northern part of the country specifically in Kano, Kaduna, Bornu and Katsina waving the Russian flag and openly calling on Kremlin (Russia) to intervene through coup de tat by removing the democratically elected government of President Ahmed Tinubu. It was not only an eye sow but a treasonable offence for calling for an insurrection, and inviting a foreign government to overthrow a democratically elected government.

However, this is far from the argument. The argument is that this sense of attraction for military government was driven by the globalization process through social engineering of electronic communication via social media platforms like twitter, Facebook, Instagram, TikToc etc. as videos and pictures of mutineers and civilian population in celebration mood eulogizing the military for coming to their aid and overthrowing the civilian government perceived to be corrupt and insensitive to their plight as messiah were uploaded on the internet on different platforms. This creates a domino effects in other countries in the region, with the masses believing that once the military takes over their

⁴⁸ Ibid., p. 309

⁴⁹ “Africa: The Seven Military Coups over the last three years,” africanews.com, 13 August, 2024,
<<https://www.google.com/amp/s/www.africanews.com/amp/2023/08/30/africa-the-seven-military-coups-over-the-last-three-years/>

living condition will improve. Consequently, this military attraction had a bandwagon effect on the West-African neighbouring countries like Mali, Guinea, Sudan, Burkina Faso and Niger Republic. The shared global economic, and cultural interdependence and values are driven by technology. Thus, no country is an island or lives in isolation as events in one part of the world is made visible through electronic communication (social media). Thus, economic inequality, poverty, inflation, unemployment, rising cost of energy became the common denominators in most African countries driven by poor democratic governance. This sense of hopelessness among the populace saw the military as the messiah for most of these countries.

The cost of global interdependence can also be seen on the attendant effects of climate change and global warming on food system, flooding, desert encroachment, ocean surge etc. The Corvid 19 pandemic which crippled global economy and rendered global supply chain ineffective leading to global hyperinflation and, pauperization of the masses due to high cost of living. The Russian aggression and war in Ukraine in 2022, which also affected global supply chain for wheats, pharmaceuticals, manufactures and the negative multiplier effect on the cost of energy. Most recently the Israel-Hamas massacre of October 7, 2023 and Israel declaration of war against Hamas in Gaza and the West Bank. This has almost snowballed in to regional war with Israel waging war in multiple fronts against the Iranian backed Hezbollah in Lebanon and the missile attack on Israel by the Iranian government leading to cut in global supply chain and rising cost of energy with multiplier negative effect on the global economy.

Summary and Conclusion

In summary, the concept of globalization is not a new phenomenon. It is an old wine in a new bottle. The only difference between the old globalization and the new one is the application of productive technology in electronic communication and modern transportation which has increased global interconnectedness, interconnectivity, and global interdependence. While globalization has reduced global poverty to an extent it also has its own setback. Most scholars including the author sees globalization as a continuation of European imperialism in its latest development of capitalism. And that the developing countries of Africa, Asia, and Latin America been integrated in to the global economy is not a guarantee for shared economic prosperity but rather creating an enabling environment, for ease of doing business by governments globally is the key to economic prosperity. Therefore, phenomenon called globalization is of mixed blessing. It is a blessing to the developed countries whose economies are not only integrated but also productive with sound macroeconomic policies as well good enabling business environment to attract trade, Foreign Direct Investment and capital flows. This is reflected on their positive terms of trade and balance of payments accounts on yearly basis. On the contrary, the developing countries' economies are gradually becoming integrated in to the global economy but however, lacks the productive capacity and the enabling environment to attract economic prosperity, thus, having worsening terms of trade on yearly basis. In conclusion, globalization is capable of reducing global poverty but depending on individual country's preparedness to the process.