ISSN No:-2456-2165

Globalization and Africa's Economic Development:
A Historical and Economic Analysis of Africa's Position in the Global Market

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Abstract:- The position of Africa in the global economy is lop-sided. Two Competing sets of arguments provide an explanation of the present position of Africa's economic status in the global market. The one, the conventional Bretton Woods' wisdom has it that Africa's stagnation and decline was caused primarily by poor policies and the excessive role of the state. The other, associated with the work of Geoffrey Kay argues that the creation of the world market was also a process of destruction and unequal development. The debate on the causes of Africa's marginalization and slow growth has offered different explanations apart from the two already mentioned. One such argument is that Africa's marginalization in the global market is as a result of the "curse of the tropics," and that most African countries are distant from the coast and landlocked. Another set of commentators are of the view that "it is capitalism, both world and national, which produced underdevelopment in Africa in the past, and which still generates underdevelopment in the present. This paper attempts to investigate the reasons for Africa's marginalization in the global market. Anchored within the paradigm of the African political economy, the paper proposes to tease out the interesting conundrum between two opposing sets of arguments as to why Africa is persistently found at the marginal pole of the global market. Apart from the two perspectives already mentioned, this paper establishes a third stream of arguments, and this is basically that, Africa's stagnation and decline have been caused by what Collier and Gunning have usefully grouped as policy and exogenous destiny on the one hand, and the endogenous and external factors on the other. The aim of this paper is to discuss with a view to assessing the relative strengths of both arguments and to assert the importance of the third in the debate. In analyzing the present stagnation and decline of Africa's position in the world market, it is important to take into consideration the historical context of the process. The researcher has used secondary sources and a qualitative approach in analyzing relevant information pertaining to the paper.

Keywords:- *Africa, Economy, Development, Economic Marginalization, Global Market.*

I. INTRODUCTION

The present position of Africa in the global political economy is one of absolute marginalization. Two opposing sets of arguments offer an explanation of the present position of Africa in the global market. One of them is the predominant view among Bretton Woods's economists which has it that Africa's stagnation and decline was principally caused by inadequate policies and extreme state intervention. The other, related to the work of Geoffrey Kay argues that the configuration of the world market was also a process of destruction, and asymmetrical development.

In explaining the present position of Africa's integration into the world market, it is relevant to take into consideration the historical context of the process. In the 1960‟s, Africa's future looked bright. According to Maddison's (1995) "estimates of 'per capita GDP for a sample of countries during the first half of the century, Africa had grown considerably more rapidly than Asia; by 1950, the African sample was below the Asian sample. There were worries of a political swing in the 1950s, but after 1960 Africa was increasingly free from colonialism, with the potential for governments that would be more responsive to domestic needs**."**

According to Collins & Borsworth (1996), during the period 1960-73, growth in Africa was more rapid than in the first half of the century. Indeed for this period, they argue that African growth and its composition were identical from the geographically very different circumstances of South Asia. They further argue that political autonomy in Africa and economic growth seemed to be on the same footing**.**

Nonetheless, in the 1970‟s political and economic problems in Africa declined. The leadership of many African nations hardened into authoritarianism (Ibid). Africa's economy first faltered and then started to decline. While Africa experienced a downward spiral, South Asian countries discreetly enhanced their economic outlook. (Collier and Gunning, 1999:3). A good example of this divergence is the comparison between Nigeria and Indonesia. Until around 1970, the economic performance of Nigeria was broadly superior to that of Indonesia, but over the next quarter-century, outcomes diverged markedly, despite the common experience for both countries in an oil boom and a predominantly agricultural economy**.**

Since 1980, total per capita GDP has decreased in sub-Saharan Africa at nearly 1 percent per year (Ibid: p. 5). The decrease has been prevalent: 32 countries became poorer than in 1980. Collier and Gunning report that today, Sub-Saharan Africa is the lowest-income region in the world. According to the statistics of growth measurements drawn from a snapshot offered by Collier and Gunning in 32 African countries, it is clear that Africa has suffered a chronic failure of economic growth**.** What are therefore the underlying issues confronting the debate of Africa's persistent marginalization in the global market? It is against this backdrop that the Bretton Woods institutions argue that Africa's stagnation was basically caused by poor policies, and the other, concomitant with the work of Geoffrey Kay contradicts that the formation of the world market was similarly the route to destruction and asymmetric development. The debate on the causes of Africa's marginalization and slow growth has offered many different explanations apart from the two already mentioned.

While some authors have argued that Africa's marginalization in the global market is as a result of poor policies and too much state involvement, others such as Jeffrey Sachs and his co-authors have insisted on the argument that its persistent marginalization in the global market is as a result of "the curse of the tropics," and that most African countries are far from the coast and landlocked. According to them, Africa's hostile climate leads to devastating health, and thus decreases life expectancy compared with other regions – thereby putting her at an inferior position in development. Contrarily to the domestic destiny stance, (Collier and Gunning, 1999) have advanced domestic policy issues to be the negative drivers of Africa's slow growth. According to them, African governments have typically been less democratic and more bureaucratic than their Asian and Latin American counterparts**.**

Another set of critics about Africa's marginal position in the global economy are those linked with the dependency school. Propounded by the work of Raul Prebisch around the 1950's (when he was the chief executive at ECLA) and popularized by Andre Gunder Frank [though on a Marxist line] and later Immanuel Wallerstein [World System Theory], this group of international political-economy commentators are of the view that "it is capitalism, both at the global and national levels, that led to underdevelopment in the past and that still contributes to underdevelopment in the present" (Brewer, 1990)**.** These authors see the world capitalist system as divided into a center and periphery. According to them, the normal processes of the system causes the gap between the core countries and the peripheral countries to widen, as the center develops at the expense of the periphery, while the periphery is reduced to a state of dependence.

A. Objective and Paper Outline

This paper is about the marginalization of African economies in the global market. Framed against the background of Africa's political economy, the paper intends to critically analyze two contrasting sets of arguments why Africa is constantly found in an inferior position in the global market. The one is linked to the conventional wisdom of the Bretton Woods institutions. The other, relates to Geoffrey Kay's argument, about the destruction in the process of creating the world market. This paper establishes the third line of arguments, and this is basically that Africa's stagnation and decline have been caused by what Collier and Gunning have usefully described as "policy and exogenous destiny" and "domestic and external factors." The aim of this paper is to discuss with a view to assessing the relative strengths of both arguments and to assert the importance of the third in the debate. Section one of the paper examines the Bretton Woods' perspective of Africa's marginalization in the global market. Section two focuses on the set of arguments associated with Geoffrey Kay. And finally, section three briefly deals with the third stream of arguments purported by Jeffrey Sachs and his co-authors. This is followed by the conclusion.

II. BRETTON WOODS STANCE ON AFRICA'S POSITION IN THE GLOBAL MARKET

Bretton Woods' conventional wisdom which is compounded within the liberal or neoliberal paradigm of the international political economy refers to the neo-liberal shift "as a political entity that advocates economic freedom as a way of encouraging economic development and upholding political freedom." (https://pdfs.semanticscholar.org/e3fb/30f6c8ef6c979452fdbb549584dba861bf31.pdf).

This line of thinking assumes that there is no basis of conflict within the international political economy. That is, if markets are open and there are no impediments to trade, then individuals are bound to achieve the highest level of utility. Therefore, putting this assumption into perspective, the Bretton Woods institutions argue that if African markets were open without any obstacles to trade, they would have achieved higher levels of effectiveness, which would have equally boosted their position in the global economic system. In the light of this hypothesis, they have categorically ascribed the blame for Africa's importunate stagnation and decline to poor policies and the excessive role of the state. During the 1980‟s, the Bretton Woods institutions and some bilateral donors to African economies have identified exchange rates and trade policies as the basic factors impeding Africa's economic growth (Onimode, 1991). Other possible factors that were of equal magnitude included the following:

- High tariffs and quantitative trade restrictions;
- Overvaluation of currency;
- Excessive government control of the economy;
- Continuous distortion of market prices;
- Excessive expenditure by the state;

- High-interest rates;
- Bad-governance practices/weak state capacity and many more [Ibid].

The subsequent paragraphs will then proceed with the evaluation of these arguments as postulated by the conventional wisdom of the Bretton Woods institutions.

One of the arguments posited by the Bretton Woods' institutions concerning Africa's marginal position in the global market is that African governments placed high tariffs on goods and services, which has then been translated into quantitative trade restrictions. This high tariff has limited the free flow of goods and services that might possibly enter the continent. This might as well affect the level of imports, which might lead to higher prices in home-produced goods as a result of less competition. The outcome might be one of an inflationary spiral in such economies as their currencies are no longer strong enough to withstand the forces of demand and supply in the world market. This, therefore, makes them be vulnerable and less competitive in current global market trends. (Harris, 1991, see also: Palmer, T.G, 2011). The argument often advanced by African governments as mentioned by (Collier and Gunning, 1999), was that Africa's stagnation and decline was due to unequal terms of trade when compared to other less developed countries of the globe.

Another important supposition advanced by the Bretton Woods School in relation to Africa's poor economic performance in the global market is that African governments are too bureaucratic and less democratic**.** This high level of bureaucracy may obviously lead to a negative impact on African economies. According to the World Bank report, four-fifth of the most difficult countries in the world to do business are located within Africa. (World Bank, 2004).

In addition to the World Bank report, the International Labor Organization has released a study that shows that one in five young people in Africa is unemployed; this is due to the high reliance on the public sector for employment. In this study, some of the figures that were highlighted include the time taken to simply start a firm. In Mozambique, it takes 153 days or about five months to register a firm, while in Chad the figure increases slightly to 155 days. Contrary to that, the report continues that in Canada it can take 2 days to register a firm and have it running. This World Bank report has further highlighted the need for a true market economy in Africa**.** An example to fortify their stance on this premise was the case of Tanzania, which stated that the privatization of state-owned enterprises was properly managed to generate growth of almost 6 percent annually. When compared to the past years, it is an indictment (Ibid).

The World Bank and the IMF [scholars] have also argued that the undemocratic nature of African governments has been a contributory factor to its poor economic performance and marginalization in the global market. Jallow (2007), argues that the failure to establish good governance across Africa relates to the lack of accountability and rampant corruption.

This undemocratic atmosphere cramped with corrupt bureaucrats and politicians have rendered the investment climate bleak **-** thus, negatively impacting on the flow of foreign direct investments into African countries**.** With the low levels of investment, African economies are poised to experience slow growth which consequently has led to their being marginalized in the global economy (Onimode, 1991)**.**

Taking the above into consideration, it is obvious that African governments cannot attain the required standards to achieve the socio-economic developments in their respective countries; hence they are situated at the marginal poles of the global economy.

Furthermore, African states have been embarking on a large amount of public spending**.** Often, this has been manifested in their expansion of public employment. For example, around the 1970s in Ghana, the public sector accounted for 3/4 of formal wage employment (Ghana Central Bureau of statistics, 1988)**.** The IMF 2014 report on Cameroon states that the number of civil servants rose from 167.000 to 250.000, being an additional 6.9% a year, while the median annual increase in the population is estimated at 2.5% (Business in Cameroon, 2019).

According to Collier & Gunning, the ratio of wage to non-wage expenditures in African governments is double that of Asia. This has affected the quality of public services in African countries: for example in education, teaching materials are often lacking. This is because a large number of public sector employment was compromised with limited revenue by reducing wage rates and non-wage expenditures (Collier & Gunning, 1999). They further argue that the large ill-paid public sector in African countries has become the ground where ethnic groups contest for resources (1999). This struggle for resources has accounted for the increasing incidents of civil wars among many African states today. Once again, this has affected the economic climate of African countries as many investors are scared to risk their capital as a result of uncertainty and unpredictability (Onimode, 1989 &1991)**.**

Since public sector employment was the main priority, managers have been under pressure for the delivery of services from their political masters. Due to the lack of democracy, they were also unaccountable to the public. Consequently, Africa experienced a paradox of poor public services despite relatively high public expenditure (Pradan, 1996)**.**

Another pertinent argument raised by the Bretton Woods economists concerning Africa's marginality in the global market is excessive economic regulation**.** It is assumed that African governments have put in place several control regimes. Countries like Ethiopia, Tanzania, and Angola have set a series of price controls through

ISSN No:-2456-2165

which private agents have sought to reduce production - at least officially marketed product (Bevan et al, 1993). These governments often attempted to offset these inducements with strong production targets, but the overall outcome was a frequently intense dropdown in economic activity.

In addition, state control weakened the operation of product markets in many countries. Financial markets were seriously monitored, with bank lending directed by the government. This led to declining financial transactions within African economies (Bigsten et al, 1999).

Another aspect of the Bretton Woods' stance of Africa's marginal position in the global market revolves around the fact that the level of domestic consumption compared to domestic production capacity is quite wide. The argument advanced by Okogu, (1991:35) relates to an overall squeeze in total domestic demand to ensure that Africans live within their means.

Enlisting and assessing the reasons for Africa's persistent stagnation and decline within the global market as proclaimed by the Bretton Woods scholars seem in-exhaustive. Nevertheless, the conventional wisdom of these institutions of global governance has been challenged by a different set of arguments associated with the works of Geoffrey Kay. Section two of the paper offers a counter view of what has been generally acclaimed by these institutions as causal factors of Africa's economic decline.

III. THE CREATION OF THE WORLD MARKET AS A PROCESS OF DESTRUCTION (GEOFFREY KAY)

In his discourse on "merchant capital and underdevelopment," Geoffrey Kay argues that "the formation of the global market - the beginning of the modern history of capital was also a process of destruction. On the one hand, it drew the world together into a new global division of labor that opened the possibility of previously undreamt-of increases in men's productive powers; and on the other it split apart, turning this division of labor into a grotesque structure of exploitation and oppression." According to him the foundation of modern development and underdevelopment were laid at the same time by the same process (1975:96).

Geoffrey Kay pointed out that merchant capitalism was replaced by the advent of the industrial revolution. This new form of operations slowed down the monopolistic privileges of merchant capitalism. In the underdeveloped world, merchant capitalism was no longer supreme before 1800. By this time industrial capitalism has gained grounds in developed countries by turning the overseas empire of merchant capital to its own advantage. A similar breakthrough for Africa proved impossible for almost 150 years. He continues to point out that, when it finally came after the Second World War it strengthened rather than undermined the structures of underdevelopment that had been created in the superseding period (1975:97).

In his analysis on the transition to industrial capitalism, Geoffrey Kay has argued that merchant capital in the underdeveloped world had no local roots but was controlled by the developed countries. He further highlighted the changes that overcame merchant capital due to industrialization (1975:98). This, therefore, confirms the fact that Africa's participation in the global capitalist economy was influenced by the Developed Countries through merchant capitalist operations.

Besides, industrialization began in Europe, and it was associated with increased levels of production, which European markets could not sufficiently harbor. As a result, western economic players had to search for markets beyond their geographical boundaries; hence Africa was one of their favorites. Within this scheme of things, I strongly share the view that Africa's involvement in the global economic market wasn't spontaneous. It could be perceived and interpreted as a process of destruction taking into account the fact that Africa was not yet mature in merchant capitalist operations [Ibid]. In addition to his discourse on the transition to industrial capitalism, Geoffrey Kay reinforced the notion that mercantilism in the underdeveloped world led to some form of "political and social incoherence – hence rendering the creation of industrial capitalism cumbersome. In reality, the instigators of industrial capitalism had no intended plan and considered the underdeveloped world as a market and not as a sphere of direct investment and accumulation (1975:100).

Contrary to the tenets of the Bretton Woods institutions who attributes Africa's persistent decline and stagnation in the global market to poor policies and the excessive role of the states, Geoffrey Kay has counteracted the argument saying that industrial capital embraced the underdeveloped world as it was, leaving it as a final preserve for merchant capital. He proceeds by reiterating the fact that if merchant capital retained its independence in the underdeveloped world, it would have traded single-handedly rather than being forced to become the agent of industrial capital. It remained the only form of the capital present: but within the world economy as a whole, it became an aspect of industrial capital (1975:101). In other words, merchant capital in the underdeveloped countries existed in its two historical forms simultaneously. At one moment it was the only form of capital but not the only form of capital. As a historical fact, this apparent paradox set the pace of the specific differences of underdevelopment and marks the beginning of underdevelopment as we know it.

Anthony Brewer has also confirmed that the creation of this same world market was a process of destruction. The issues he raised relates to the degeneration of the feudal mode of production in Europe. This created a favorable environment for the growth of capitalism. In his discussion, he argued that capitalism started in Europe and that it was only transferred to colonies of European settlement (Africa, America, Australia, etc.) and developed independently in Japan. He continues to assert that in the rest of the world capitalism came from outside as an alien growth that was introduced forcefully (Brewer, 1990: 36-40).

The basis for this argument is that capitalism came into Africa when it was still under the old merchant capitalist system of development which had to serve the double tasks of being an agent of industrial capitalism and at the same time bearing its status of merchant capital. On this premise, we argue that the African economy was basically plunged into two worlds. Africa was neither matured for merchant capitalism nor ready for industrial capitalism, thus, was her economy distorted as a result of the confusion that she was placed in by the Western Capitalists countries. Since then, we are of the view that Africa has been destined by the world capitalist order to serve the needs of the more developed countries (Brewer, 1990:36-48).

Anthony Brewer has also argued that the persistent expansion of capitalism in search of markets and fresh supplies of labor-power throughout the globe has rendered most consumer-driven economies to remain stagnated and dependent on the manufactured products of developed countries. This over-dependence has caused many African countries to lag behind the modern trends of development. This discussion can be further viewed in light of his discourse on capitalism.

Industrial capitalism met the external world basically through the medium of merchant capital, wiping off the latter and introducing a range of changes in the global economy. During the same period, however, Africa remained in a pre-capitalist stage of development and was resistant to the impact of the market forces due to its internal structure. (1990:48-56). In one way or the other, Africa's involvement in the global market was not natural considering its premature image of merchant capitalism, and worst of all its forceful assimilation of industrial capitalism.

In an eclectic synthesis of Charles Barone's assessment of Amin's discourse on capitalism as an expansionist and imperialist tendency of the West, he argues that the issue to determine international exchange value was important in regulating the problem of monopoly and the large scale export of capital He further asserts that before this period the conditions to determine exchange rate on a global scale did not exist. Consequently, the valuation of profit between Countries required a World commodity market and the mobility of capital on a global scale, conditions that were satisfactory in the monopoly phase of capitalist expansion (Amin, 1972). Africa thus became involved in the world economy as a result of this movement of capital. The endless march of capital across the globe in search of markets and resources coupled with profits as pointed out by Amin - was the beginning of the process of destruction of Africa as it was forcefully enmeshed into the world market (Barone, 1985:120-128).

In view of Emmanuel's opinion, Amin argues that uneven exchange was the basis for imperialism. He profoundly retracts Emmanuel's critical argument with a few changes. He posits that if the basic structure of capital were comparable between two countries, then, there will be a transfer of value in the process of international commodity swap from the country with lower real wages to the country with higher real wages. Amin continues to argue that these conditions are linked with the differences between the central and peripheral capitalist structures so that trade imbalance accounts for the basic factors of imperialism. It allows the center to overcome the tendency for the rate to fall, concurrently keeping profit high in the center and low in the periphery (Amin, 1972). Taking into account the above analysis, one can argue that Africa's economy was compelled to be at the margin as it was destined as a periphery within the world –capitalist economic system.

According to Armin, capitalist foreign expansion into the periphery accounted for a severe blockage to the peripheral economy and hindered auto-centric accumulation while creating external accumulation. The peripheral societies are characterized by more than one mode of production. Their specific forms determined the nature of their pre-capitalist modes of production and the particular phases of capitalist development in which they were integrated into the world capitalist system (Amin, 1972).

According to Amin, the main difference between the periphery and the core lies in the external nature of the peripheral economies, which limit them to a dynamic coming from the center. The periphery has been incorporated into a world system in a way that suits the center's needs. The process of development in the periphery is influenced by competition with the center, which determines the periphery's distinctive structure. Such competition promotes three distortions in the development of periphery capitalism by contrast with the development in the center. These are 1) A crucial distortion towards export activities, which absorb the major part of the capital arriving from the center; 2) A spin towards tertiary activities, which stems from the special contradictions of peripheral capitalism and the original structures of the peripheral formations; and 3. A distortion in the choice of branches of industry, toward light branches, together with the utilization of modern techniques in these branches (Ibid).

In an explicit discussion on the three stages of African involvement in the world – economy, Immanuel Wallerstein clearly points out that the essential elements of the capitalist-world economy include the creation of a single world division of labor, production for profit, and capital accumulation for expanded reproduction. The emergence of three zones of economic activity (core, semi-periphery, and periphery) with unequal exchange also constituted the groundwork for global capitalism (Wallerstein, 1976).

He also pointed out that capitalist world economy originated in one part of the globe and then expanded to include all parts and that areas [such as Africa] was not originally within the boundaries of the world economy and were considered to be outside of it at one point in time, and later incorporated into it (Ibid: 31). The above statement depicts that Africa's economic position has long been wanting and indecisive when perceived from the global capitalist- perspective. On a second note, the above argument implies that Africa's economy has long been disoriented and distorted as it constantly came in and out of the world capitalist order.

In the introductory pages of Ravenhill's discussion on Africa's persistent crisis and the elusiveness of development, he points out that the origins of Africa's depression were outside the control of Africa's leaders. He continues to reiterate that the industrialized world has partly been responsible for Africa's persistent marginalization in the World Capitalist economy. On the other hand, he affirmed the Bretton Woods institutions' stance on the poor performance of African governments and heavily discounted the role of exogenous factors such as deterioration in the terms of trade. He finally concluded that the reality of the matter undoubtedly lies between two extremes: both internal and external factors (Ravenhill; 1986).

In connection to the above argument, this paper challenges the view that Africa's economic marginalization cannot solely be attributed to neither the Bretton Woods assumption nor those associated with the works of Geoffrey Kay; it technically punctuates the two and asserts the importance of both internal and external factors with regards to both policy and Africa's geographic characteristics.

This brings us to the third section of the paper which deals with what Collier and Gunning have described as policy and exogenous "destiny," and domestic, and external factors. In this section, we will outline the four factors responsible for Africa's marginal position in the global capitalist economy. These factors are domestic-destiny, domestic- policy, external- destiny and external policy. Only the domestic destiny and external-destiny factors are relevant for this paper. This is because the aspect of domestic policy and external policy has already been discussed in the first section.

IV. DOMESTIC-DESTINY

Some authors have challenged the argument that Africa's marginalization in the global capitalist system was solely caused by poor policies and the destruction brought about by the historical developments of capitalism and imperialism. Prominent among them are Jeffrey Sachs, Paul Collier, and Jan Willem- Gunning. These authors share the view that Africa's destiny [both domestic and external] is partly accountable for its economic fragility.

According to the aforementioned authors, Africa has several geographic and demographic characteristics that may hinder rapid economic growth. The tropical nature of the continent may handicap the economy, partly due to diseases such as malaria and harsh climatic conditions for animal grazing and agriculture. Life expectancy has historically been low, with the population in a high-fertility, high infant-mortality equilibrium (Collier & Gunning, 1999). In a comparison between Africa, Asia, and Latin America, it is reported that Africa's demographic transition has not faced a decline when compared with its fertility rates. Africa's low life expectancy and high population growth account for almost all of Africa's slow growth (Bloom and Sachs, 1998).

Another principal factor that predisposes Africa in terms of its position in the global capitalist market is the poor quality of its soil. Moreover, much of the continent is semi-arid, with rainfall subject to long cycles and unpredictable failures (Voortman et al, 1999).

In addition, the continent has a very low population density due to its semi-arid conditions. This comes along with a high transportation cost, which may, in turn, add to the risk, as poor market integration can hamper the use of trade for risk-sharing (Ibid). Africa has relatively high natural resource endowment per capita. This may lead to a series of economic problems. For example, high levels of exported natural resources may lead to an appreciation of exchange rate, which may, in turn, lead to less competition in manufacturing goods. Yet manufacturing may offer larger growth externalities, such as learning than natural resource extraction. Natural resources may also increase "loot-seeking" activities. Collier and Hoeffler (1998) found that too much dependence on natural resources strongly increases the risk of civil war which has been typical of many African states.

Another characteristic that may obstruct Africa's growth prospects and place her at a disadvantaged position in the global market is her colonial heritage. In terms of population, Africa has much smaller countries than other regions. Sub-Saharan Africa has a population of about half of India divided into 48 states. These many states, combined with low levels of income, make Africa's national economies relatively smaller than those of other regions. Collier and Dollar (1999a) have pointed out that small economies are also perceived by investors as significantly riskier. They may also have a slower rate of technological innovation. Kremer (1993) argues that the rate of discoveries may be approximately comparative to the population. If discoveries cannot easily extend among societies, low population societies will have less innovation. One is poised to argue that countries with small populations cannot be very attractive to foreign investors as they might be scared of the limited demand for their products. We now move to the last section of the arguments.

V. EXTERNAL-DESTINY

The response that Africa's economic marginalization is caused by its domestic-destiny is not sufficient to explain its present position in the globalized economy. Some authors have challenged this view and seek other reasons to clarify their arguments.

One of the arguments that have been labeled across this trend is that presented by Mc Callum (1995). According to him, most Africans live much further from the coast or navigable rivers when compared to other regions and so face the problem of intrinsically higher transport costs for exports. Moreover, much of the population lives in countries that are landlocked, so that problems of distance are compounded by political barriers. He further pointed out that landlocked countries may be barriers to trade between countries even if they may have good relations with their neighbors.

Another aspect of external-destiny is that Africa's exports are made up of commodities having unstable prices that have declined since the 1960s. This decline of the terms of trade has definitely contributed to Africa's slow growth thus placing her at a marginal pole in the global capitalist market (Collier and Gunning, 1999).

Furthermore, African economies are highly depended on foreign aid for their economic development. Consequently, they have attracted much aid per capita than in other regions. Their external destiny has edged them to be enlisted among donor prescription rules of countries with small populations, low incomes, and countries that were recent colonies. There has been a long-lasting argument as to whether aid has been unfavorable or favorable for the growth process. Some early critics such as Baur, (1982) claimed that aid reduces the incentive for good governance.

What is of interest here is that, how is this aid-dependent factor related to the external destiny argument? This can be perceived by the vast conditions for loans that were set up by the Structural Adjustment Programs. Their conditions for loans placed emphasis on policy improvements which to them were solely accountable for Africa's economic stagnation. On this note, we will reinforce the argument that most African countries that adhered to the conditions and implemented the policies of the [SAP] World Bank were condemned to face a worsening economic condition than ever. For example, Cameroon structural adjustment program led to the downsizing of the public service, devaluation of the CFA currency, privatization of some major state-owned enterprises and the withdrawal of government subvention to private educational institutions, etc. This had an overarching effect on the economy as many people became structurally unemployed thus affecting the rate of consumption of goods and services due to a drop in the purchasing power of the population.

However, Burnside and Dollar (1997) through their econometric work found that aid has not had any effect on policy: to the extent that aid encourages or discourages policy changes, according to them the two effects apparently offset each other. They continue that where policies are good, aid contributes to growth rates extensively, and where they are poor, diminishing returns rapidly sets in so that aid cannot significantly contribute to growth.

VI. CONCLUSION

In this paper, we have stated that Africa's position in the global capitalist economy is marginal. We have also established the platform on which we can base our arguments on Africa's marginalization in the global capitalist economy. We have stated that two competing sets of arguments provide an explanation of Africa's status in the global market. The one, attached to the conventional Bretton Woods wisdom has it that Africa's stagnation and decline was caused basically by poor policies and the excessive role of the state. The other, associated with the work of Geoffrey Kay argues that the creation of the world market was also a process of destruction and unequal development. This paper has established another line of arguments linked with what Collier and Gunning have captioned policy and exogenous destiny and the domestic, and external factors. The paper's objective has been to discuss with a view to evaluating the relative strengths of both arguments and to assert the significance of the third in the debate. This paper has challenged the view that Africa's marginalization in the global capitalist economy can solely be attributed to neither the Bretton Woods assumption nor the arguments associated with the works of Geoffrey Kay; it has technically punctuated the two and stressed the importance of both internal and external factors with regards to policy and the geography of the region.

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