

## **Foreword Volume 8 (2000/2001): Africa's Reintegration into the World Economy**

This Volume 8 of the African Development Perspectives Yearbook is considering in detail Africa's chances and prospects to respond successfully to the current globalisation trend. Volume 8 is the first comprehensive account of this trend for Africa, and it is looking at the benefits and the problems Africa faces now in the globalisation age. The various Units and Essays in this book address all important issues of relevance concerning the repercussions of the globalization trend on Africa. This work is done by the presentation of analytical essays, country case studies, reports on policy changes in Africa, cases concerning the impacts of globalization on local communities, on social groups and especially the women, on regions and sub-regions, and by reprinting important documents from African organizations that highlight the perspectives of Africa in the years to come.

These most important issues are dealt with in 7 Units. Unit 1 addresses the basic analytical framework concerning the globalization impact on Africa; Unit 2 provides a detailed account of the development potential of globalization and the necessary changes of foreign economic relations in this process; Unit 3 considers the potential to speed up the regional integration process in the era of globalization; Unit 4 presents case studies of African countries that were isolated from the world market because of various political and domestic reasons, and highlights the repercussions of the globalization trend after the opening of these countries towards the world market; Unit 5 discusses the impacts of the globalization process on women and especially the changes in households and in the labour process; Units 6 and 7 present book reviews, book notes, and information and news from and for Africa. Volume 8 is a unique source of knowledge as it presents theory as applied to African development, empirical assessments, strategic thinking on African options, action-oriented propositions and as well visions and perspectives on African development. Volume 8 is the first attempt to assess the long-run development prospects of Africa in the globalization process, but also intends to show what can be done in the medium-term to adjust successfully to this trend.

Unit 1 considers the basic issues of the globalization trend as it is affecting Africa. The marginalization trend of Africa since decades is discussed, and major conclusions are derived for policymakers so as to decide on policy reforms for successful world market integration by taking national, regional and international action. The prospects for a reintegration of Africa into the international trading and investment system are considered by reviewing the global and sectoral market trends, the changes in comparative advantage, and the constraints and impediments and how they can be overcome. Highlighted are also the conditions and determinants for successful exporting by African enterprises. It is important to learn that African entrepreneurs are quite able to export, to break into dynamic markets, to overcome various trade barriers and constraints, so that the message is clear that an effective integration into the world market by African producers is possible. Further in the Unit we find an assessment of the state of integration of Africa into the international financial markets, and of the risks involved when further steps towards integration are taken. It is made clear that the degree of financial market integration is not only important for the design of national economic policies, but also for the financing of the development process itself, and for the following of a strategy to avoid financial crises of the Asian type. As the Asian crisis has affected the African economies quite considerably, it is important to sequence the financial sector reforms accordingly to avoid new vulnerabilities in African economies. All these essays as presented in this introductory Unit show that data are scarce, that methodological issues need to be addressed in order to understand African development problems more deeply, and that policy conclusions are not so easy to be drawn. A further contribution in the Unit highlights the fundamental growth factors that matter in Africa, and this is done by reviewing most important

growth theories and then applying their strategic policy conclusions to African growth conditions in an era of globalization. It is interesting that many options to stimulate growth exist, and that policies to stimulate growth (and thereby trade) can be designed successfully, and especially so in the process of globalization. However, the globalization trend changes the relevance of factors in the growth package; supporting R&D, human capital development, economic and informational openness, speeding up innovative changes in the enterprise and international technology transfers, and creating actively international and regional networks of enterprises around value chains count much more for growth (and trade) than traditional factors (capital, labour, raw materials, and land).

Unit 2 discusses Africa's development potential in the globalization process, focusing on trade and investment inflows and the necessary changes of foreign economic policies of African countries. Given the utmost importance of Africa's economic relations to the European Union (EU) some of the Unit's contributions focus on the perspectives of Europe's trade preferences system which is formulated in the Lomé treaties. Apart from major institutional and policy reforms on the ACP side, the reduction and even elimination of incompatibilities between trade and development on the EU side is called for. Additionally, the strengthening of the private sector, especially by strengthening the clusters of small, dynamic enterprises, as well as by strengthening intra-African economic co-operation, is seen as an important strategic element to overcome Africa's present marginalization in the world economy. Contributions to this Unit also stress the importance of facilitating foreign direct investment (FDI) in Africa, for instance by acknowledging the crucial role of the tax system. However, potential dangers of FDI, including environment-related aspects, are also considered. Two country case studies discuss the importance of the institutional framework, both at the medium level (of economic policy provisions for technology transfer in Ghana) and at the macro level (of economic policy formation in Botswana). Finally, the role of international financial and economic institutions for Sub Saharan Africa (SSA) is stressed, pointing to tensions between national options and international framework conditions. Certainly, there is no need to be over-optimistic regarding Africa's potential role in the world economy. Nevertheless, considering some success stories on various levels of the economy, there is also no room for a too pessimistic outlook.

Unit 3 addresses the issues of Africa's regional integration process and its compatibility with reform policies in the era of globalization. The Unit is based on an analytical survey of regional integration theories as relevant for analysing regional integration in Africa and on an assessment of successful/failed experiences of regional integration to derive key factors that count for Africa for speeding up regional integration. Applying this wisdom to Africa shows that a new regional integration paradigm is necessary for Africa, a new approach that is compatible with African experiences of the past and especially with the repercussions on Africa of the globalization trend. The case of SADC's regional integration reveals that there is no alternative to choose for Africa, between a path of regional integration or a path of global integration, but that these two forms of world market integration have to be made compatible, and have to be co-ordinated carefully by respective policies and institutions. In this Unit various steps are formulated that make the new approach towards regional integration in Africa more realistic and future oriented. Regional integration is related not only to trade integration and to private sector investment integration, but is related also to infrastructure development and financial integration, and additionally to the formulation of common policies towards other regional integration areas, as for example the EU or the NAFTA and the APEC have demonstrated. Unit 3 shows that Africa can speed up regional integration successfully without affecting negatively the speed of global integration. It is also made clear by the various studies in this Unit that internal economic, political and infrastructural integration processes in the countries matter. Infrastructure development and market development in the countries themselves are the basis for regional and global integration. From these insights it follows that there are very specific proposals to make for a reform of policies towards regional integration in Africa in an era of globalization.

In Unit 4 various important cases are presented of countries that are in the process of opening towards the world market after a period of isolation from the world economy because of civil war, apartheid, internal conflict, and isolation because of international sanctions. The cases in this Unit reveal a very important phenomenon that even countries of this type can relatively quickly reintegrate into the world market if they pursue a set of consistent economic reforms and decisive open door policies, while creating and preserving a strong guiding role of the state. It is obvious from all these cases and other evidence on Africa that structural adjustments and effective integration into the world market can only be successful and sustainable if the state is guiding these reforms in a manner that leads the most important socio-economic, ethnic, and political interest groups towards a stable compromise. The cases of Libya, Angola, Mozambique, Namibia and South Africa show that – despite of quite different initial conditions, transformational processes and endowment with resources – the commitment towards such reforms and the firm use of the implementation capacity count. These countries were chosen as cases because of the interest in the policies of these countries to regain international confidence and acceptance after a long period of isolation from the world market. Even these desperate country cases have the potential to use the chances of globalization and to minimise the costs of globalization. Globalization can be beneficial if the state is strong enough to protect weak social groups, sectors that are in a process of necessary adjustments, and regions that were neglected for decades, as well as local communities that have to rearrange their social and economic activities in the new competitive system. Globalization can be beneficial if the state is strong enough to support effectively structural changes and the creation of new comparative advantages. Dependency management and resources mobilization by the state is required, and the co-operation with the private sector can be helpful in this process.

Unit 5 considers specific aspects of integration of African women when the countries respond to globalization and reintegrate into the world economy. The contributions give evidence that African women have been and still are integrated into world markets along gendered patterns, which are basically characterised by less control over resources and less access to decision-making power than what men and white women have. These studies also show that beside a large majority of African women who are marginalized further in this process of world market integration and globalization, there are a few who manage to respond creatively to the new opportunities and to benefit by taking up new economic activities. The selection of one contribution from a rural area in Senegal, one from an urban centre in Zimbabwe, and one from the European city of Paris provides an opportunity to compare persistence and change with regard to three characteristic patterns of economic integration of African women into the world economy: first, as cash crop producers; second, as flexible labour force in the informal sector; and third, as care workers for white families. In all three cases these activities form only a small part of the total economic activities which African women perform wherever they are and which include subsistence production, maintaining reciprocal relations and women's networks, crafts, trade, and diverse care activities. The contributions to Unit 5 reveal that the more precarious the women's economic situation becomes, the more they rely on a multitude of economic and social security relationships. Hence, more integration into the world economy, along the same gendered patterns and without fundamental improvements of access to qualifications, services and control over resources, will not lead to more livelihood security for African women.

In Unit 6 most important books and papers dealing with the theme of Africa's reintegration into the world economy are reviewed and noted in book reviews and in book notes. It is interesting to see how many international organizations and development research institutes add to the knowledge in this field by presenting seminar reports and analytical studies on the issues of Africa responding to the globalization trend. More and more editors and authors and their publishers send their papers and publications to the African Development Perspectives Yearbook Review Editor, and the Yearbook Editors hope that this will continue and even broaden.

In Unit 7 there are documents of importance for the future of Africa, research reports on key issues for Africa, news about African organizations and the work for Africa by development co-operation agencies, and also statements by leading regional organizations about Africa's economic and social prospects. This is part of the global network that was created in 1988 by the Research Group on African Development Perspectives in Bremen, a network that is enlarging, broadening and deepening. Important documents from African and international organizations on African development issues are reprinted in all volumes of the African Development Perspectives Yearbook, and so also in Volume 8. These documents are of great importance because they are proof of the collective will and effort of the Africans to change their situation by determined action. This is also part of the editorial policy of the African Development Perspectives Yearbook to give the readers access to the most important documents that give proof of intentions, plans and objectives for African development. In Unit 7 most important information on institutions and programmes regarding African development is presented. This News and Information Unit gives also evidence of an increasing interest in Africa's development perspectives. These documents are of great importance because of the collective will and effort of the Africans expressed in these statements.

Over the years the African Development Perspectives Yearbook has become the leading English-language publication in Germany on Africa. An increasing number of policy and research institutions in Africa and worldwide are cooperating with the Research Group on African Development Perspectives in Bremen. African university teachers use the African Development Perspectives Yearbook in their courses. Officials of national governments of African countries, and of international and regional organizations make use of the analyses, projections and proposals, and also of the documents which are reprinted in the various volumes of the African Development Perspectives Yearbook. Civil society organizations and non-governmental organizations all over Africa and those working globally benefit from the information and the analysis contained in the various volumes. The feedback from all these institutions, groups and persons is very important for our work. The network of the Research Group on African Development Perspectives in Bremen is still enlarging. Many organizations and individuals support the network with information, cooperation and encouragement.

With now eight volumes the African Development Perspectives Yearbook has become an important source of information on Africa, and a highly successful work period of the Research Group on African Development Perspectives in Bremen has passed since 1989 and will now be continued in the new decade. For this decade of work many important tasks are awaiting to be realized. The theme for Volume 9 of the African Development Perspectives Yearbook with the title "African Entrepreneurship and Private Sector Development" is of great importance for the future of Africa, and the work on this volume is reflecting on the future tasks of our Group. It is more and more necessary to work out realistic strategies to stimulate the private sector in Africa, by better national and regional policies, and by attracting more foreign direct investment. In order to realise this goal a more facilitating international environment is necessary to support Africa, and we will focus also on these issues. Africa's links with the world economy and with the international public and civil community will occupy as core themes the work effort of the Research Group on African Development Perspectives in the years to come.

In its first decade the Group has discussed in the various volumes of the African Development Perspectives Yearbook such important themes for Africa, as human dimensions of structural adjustment; the role of agriculture for industrialisation; the role of new energy policies; the

importance of active labour and employment policies; the role of regional employment strategies; the issue of good governance; empowerment strategies and policies; and now in this Volume 8 the issue of Africa's reintegration into the world economy. With these volumes we covered the central issues of African development today, and these are the problem areas that may shape the fabric of the economies and societies in Africa in the next decades. We will focus also on the new role of Africa in the world economy and in world society, especially in the context of the global informational and technological revolution, and therefore on a future for Africa that is reflecting the demands of the knowledge society that is emerging globally. We therefore invite scholars from Africa and elsewhere to join us in this tremendous effort when preparing for Volume 9 (see the International Call for Papers at the end of this book). We have to thank all supporters and contributors of the African Development Perspectives Yearbook for their hard work, their steady encouragement and their assistance.

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