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Restructuring the African State for more Effective Management of Globalisation

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Abstract

It is generally accepted that globalisation is here to stay and that Africa and the Africans need to participate gainfully and equitably in the global economy and global society. This paper investigates Africa's readiness for more effective globalisation. Drawing on indicators from both the macro (national) and micro (sub-national) levels, this paper concludes that Africa is individually and institutionally less ready for globalisation than other parts of the world. The paper makes conceptual and practical suggestions for rethinking, restructuring and reorganising the African state for better understanding and management of globalisation. Before undertaking specific reforms and capacity building initiatives, every country should develop a strong national foundation for globalisation involving, among other things, articulation of widely shared societal core values, institutions, competences and functions. Lack of nationally shared core values and a strategic sense of direction and institutional weaknesses at both the macro and micro levels combine to render the African state especially vulnerable to the vagaries of globalisation.

Résumé

Il est généralement admis que la mondialisation est un phénomène irrémédiable et que l'Afrique et les Africains doivent participer d'une manière profitable et équitable à l'économie et à la société mondiales. Cette communication cherche à déterminer si l'Afrique est prête pour une mondialisation effective. Sur la base d'indicateurs de type macro (nationaux) et micro (infra nationaux), cette contribution soutient que sur le plan individuel et institutionnel, l'Afrique est moins bien préparée à la mondialisation que les autres régions du globe. Elle émet ensuite des propositions conceptuelles et pratiques, permettant de repenser, restructurer et de réorganiser l'État africain, pour une meilleure compréhension, ainsi qu'une meilleure gestion de la mondialisation. Avant d'entreprendre des

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réformes spécifiques et des initiatives pour le renforcement des capacités, chaque pays devrait créer une forte base nationale pour la mondialisation, prévoyant entre autres, la mise en œuvre de valeurs fondamentales au niveau des institutions, compétences et fonctions. L'absence de valeurs nationales fondamentales, un certain sens stratégique de la direction, de même que les faiblesses institutionnelles aux niveaux macro et micro concourent à rendre l'État africain vulnérable aux caprices de la mondialisation.

Introduction

Twenty years ago the word globalisation did not exist in daily use in Africa. Today, it is everywhere and evokes strong and often violent political, intellectual and emotional debate and reactions. It has come to characterize the end of the twentieth century, and the beginning of the new millennium. It makes and unmakes individuals, families, organizations, communities and nation states. Some think it will save Africa; others are convinced it will destroy it. It differentiates and integrates. Although Africa's rightful role and position in the globalising world continues to be hotly debated and contested, most African countries have decided to participate in the global economy and global society. For example, all except a few are members of the World Trade Organization (Kiggundu 2002a: 173-4). Yet Africa's position in the world—measured by size of the economy, share of world trade, investment, power and influence or image—continues to fall compared to other developing regions of the world.

The purpose of this paper is to assess Africa's readiness for effective globalisation, and to suggest strategies for reorganising the state both at the macro (national) and micro levels. Effective globalisation is about the efficient creation and equitable distribution of value at all levels of society. After briefly discussing the meaning and importance of globalisation for Africa, the paper uses various global indicators to assess the region's readiness for globalisation. The results show weaknesses in the readiness for gainful globalisation for almost all African countries both at the macro and micro (sub-national) levels. The paper ends by outlining strategies for building the foundation and reorganising the state and various sectors of the economy for more effective globalisation.

Understanding globalisation

Globalisation is not a unitary concept: it means different things to different people and different things to the same people across time and space. It is not only about trade, investments and other cross-border transactions. Rather, it is complex, dynamic and multi-dimensional and needs to be understood by individuals, families, groups, communities and public and private sector organisations in order to maximize its potential benefits and minimise its inevitable unintended adverse effects. It does not happen by accident, but needs effective leadership, planning, resourcing and management by both the public and private sectors working together in partnership at all levels of society. It is important because it is pervasive, outward bound and creates deeper interdependencies among regions, nations, governments, businesses, institutions, communities, families and individuals. It evokes strong and often violent reactions because it is associated with the world's most significant challenges and opportunities.

Globalisation affects all Africans no matter where and how they live. The best strategy is to fight back and respond in kind in order to take advantage of its opportunities, and to minimise its potential adverse consequences. This requires a strategic approach. Africa and Africans should not see themselves as helpless victims of globalisation. Rather, they should actively take the initiative to understand the nature of globalisation, its causes and consequences on the ground, assess their opportunities, strengths and limitations and develop realistic goals and a plan of action for managing globalisation. It is not easy and there are no guarantees, but the strategic approach is better than isolation or surrender. A strategic approach in partnership with others increases the chances of success and mitigates against some of the negative consequences.

A return to the old protectionist ways would hurt African states and their people the most because they are least able to fend for themselves. At the moment, globalisation, at least as an ideal rather than current practice, offers African states and their citizens the most realistic opportunity to undertake economic and political reforms necessary for economic growth, democratic development and improvements in the overall living and working standards of the majority of the people. For many African states, their own survival as nation-states may well depend on whether or not they succeed in managing globalisation for the betterment of their citizens.

Globalisation is not value-free. It is often seen through ideological prisms. As well, the pressures to conform to universal standards of conduct and competitive performance force organisations and individuals to assimilate new values, which may be in conflict with local cultural values and practices. However, Africans must not allow emotions to dictate their reactions to globalisation's short-term or unintended negative consequences. History offers instructive lessons of experience. For example, while the Industrial Revolution was beneficial to Britain, Europe and other industrial countries, millions of citizens paid heavily for the progress and success of industrialisation. These and similar past experiences provide lessons, courage and wisdom for managing globalisation more equitably and with a human face.

As recent experiences show (Landes 1998; Soros 1998), during its initial stages, globalisation tends to be associated with extremes. Winners have tended to take it all by accumulating wealth, assets, opportunities, income, political and economic power as well as control of and access to technology and other resources. Losers, on the other hand have tended to lose it all. Yet, globalisation is not necessarily a zero-sum game; rather, it is a cooperative enterprise in which actors can make enforceable contracts with others at home and abroad. Those who play fully commit themselves to specific strategies and commitments. If interstate commerce reduces the likelihood of regional conflicts, then globalisation must be an integral part of Sub-Saharan Africa's overall strategy for security and development.

Globalisation is a local concept (Abdullah 1994). Therefore, it must be explained to the people in ways that make sense in terms of their own lives. It must be translated so that its meaning and impact is understood at the micro, community, family and individual levels. Macroeconomics definitions used by macroeconomists and corporate executives are not enough. Globalisation must speak to peoples' salient needs: material, security, intellectual, cultural, political, social, emotional and spiritual. Globalisation is too important to be left to the experts; citizens must take centre stage.

Finally globalisation, as a concept and practice, should not be projectised. It is not a project with beginning and terminal ends, but an on-going transformational process of people, institutions, communities, governments and society as a whole. It is not suitable for technical assistance because it must be home-grown, driven from within and not imposed upon by outsiders.

Is globalisation good for Africa?

The question as to whether globalisation is good for Africa and Africans continues to be debated by politicians, academics, policy-makers, corporate executives and ordinary citizens. Yet, available evidence suggests that while it is not without pain, loss and diappointments, globalisation has brought good things to Africa. For example, a recent series of longitudinal World Bank studies (World Bank 2002; Dollar 2001) have shown that outward-oriented developing countries grow more rapidly than inward oriented or closed ones. Specifically, the countries that increased their integration into the world economy over two decades ending in the late 1990s achieved higher growth in incomes, longer life expectancy and better schooling. Many of these countries have adopted domestic policies and institutions that have enabled their citizens to take advantage of global markets and sharply increase their share of trade in their GDP. They have also experienced rising wages and declining numbers of people in poverty. They are better positioned to achieve the targets of the Millennium Development Goals on time (UNDP 2003).

These studies also show that countries unable or unwilling to increase their integration with the world economy are being left behind. For these countries, the ratio of trade to GDP has either remained flat or actually declined. On average, their economies have contracted, poverty has risen and education levels have risen less rapidly than in the more open countries. These countries are much less likely to achieve the targets of the Millennium Development Goals (UNDP). Unfortunately, many of these countries are in Sub-Saharan Africa. According to the 2003 *UNDP Human Development Report*, if present trends continue, Sub-Saharan Africa will not be able to fulfil the poverty goals of the Millennium Development Goals before the year 2147, and those relating to infant mortality before 2165. This is despite substantial progress in reforming the overall policy environment. Much of this shortfall is attributable to poor governance, ineffective globalisation and general lack of capacity (Olowu and Sako 2002; World Bank 2003; Kiggundu 2002a; Rondinelli and Cheema 2003).

Assessing Africa's readiness for globalisation

It is now generally accepted that the call for a minimal state in response to globalisation is naïve and lacking theoretical and empirical foundation. Globalisation does not diminish the role of the state. (Weiss 1998; Ohmae 1995). Rather it calls for different and evolving roles, in response to changing challenges and opportunities. Globalisation requires a strong, democratic, productive, strategic, citizen-centred and competent state (Kiggundu 2002a; Rondinelli and Cheema 2003; United Nations 2001). Globalisation needs good governance. Only the state can provide the necessary leadership for good governance. Therefore, globalisation, good governance and the state are inextricably connected. It is also clear that no Sub-Saharan African state can go it alone. Globalisation requires building a multitude of mutually beneficial domestic, regional and international partnerships. Such partnerships must transcend the traditional public-private sector demarcations and concentrate on achieving results meaningful to the citizens.

During the 1990s, many African leaders declared their countries 'open' for business. The question that must now be asked is whether or not these countries–their institutions, communities and citizens–are *ready* for globalisation. Just as the negative consequences of globalisation come to Africa in battalions, it is naïve to expect the benefits to be served on a silver platter. In spite of substantial progress in reforming the overall economic policy environment, administrative and political reforms, the overall results on the ground are at best mixed. Gains made by some post-conflict countries such as Mozambique, Uganda, Ghana and Ethiopia have been overshadowed by continuing conflict and violence threatening the very existence of the nation-state in Liberia, Sierra Leone, Côte d'Ivoire, Rwanda, Burundi and the Democratic Republic of the Congo (Kiggundu 1999).

While there is no one single indicator of readiness for globalisation, it is generally understood that effective globalisation requires fundamental changes in individual and collective beliefs, values, attitudes, behaviour, competences, systems, performance, incentives and patterns of interactions for the whole society under the strategic and competent stewardship of the state. Recently, Cook (2003), Lipumba (1999) and Wallace (1999) investigated Africa's readiness for globalisation and found it mostly wanting. According to Cook, 'Africa is markedly less integrated in the global economy than it was in the 1950s or even 12 years ago' (2003: 130). A quick but reliable test of a country's readiness for globalisation is the profile and resources allocated to the key portfolios of economic and social development, administration of justice, corporate services and the quality of its international representation, such as the World Trade Organization. Table 1 provides five summary indicators of Africa's readiness for globalisation. The five indicators measure overall economic performance (GDP, average annual percentage growth), development of human capital (Human Development Index), government effectiveness (a measure of good governance), economic freedom (openness) and e-government (internet connectedness). Gross Domestic Product (GDP) and Human Development Index (HDI) are widely used by the World Bank and the UNDP, respectively, to indicate absolute and comparative levels of economic and human development performance for all member states.

Table 1: Summary indicators of Africa's readiness for globalisation

Country	GDP Average annual % growth 1990-2000	HDI Rank		Government Effectiveness Percentile Rank		Index of Economic Freedom-Overall Rank		E-govern-ment Index 2001
		1991	Average 1991-2003	1996	Average 1996-2002	1996	Average 1996-2003	
Angola	1.3	147	156	8.4	5.9	133	145	0.85
Benin	4.7	150	153	58.7	48.1	77	77	
Botswana	4.7	95	102	71.5	77.6	61	63	1.01
Burkina Faso	4.1	154	168	19.6	39.0	118	104	0.75
Burundi	-2.6	139	161	15.1	9.6		140	
Cameroon	1.7	119	126	10.1	25.9	118	107	0.99
Cape Verde	2.6	109	111	60.9	60.6	93	105	
Central African Republic	2.1	142	156	15.6	12.4		78	0.98
Tchad	2.2	152	162	21.2	34.0		125	0.55
Comoros	2.6	126	135	21.2	15.8			0.65
Congo	-0.2	115	128	5.6	7.8	130	134	0.94
Congo, Dem.Rep. (Zaire)	-5.1	124	143	1.1	1.2	127	144	
Côte d'Ivoire	3.5	122	144	55.3	36.5	93	93	1.05
Djibouti	2.4	153	155				94	1.35
Equatorial Guinea	2.5	137	133	1.7	2.9		137	
Ethiopia	4.6	141	162	34.6	32.0	104	113	0.57
Gabon	2.5	97	114	14.5	26.2	90	84	1.17
Gambia	3.3	159	160	58.1	48.7		96	0.64
Ghana	4.3	121	128	57.0	57.0	86	92	0.98
Guinea	4.3	158	163	6.7	33.0	61	79	0.65
Guinea Bissau	2.2	151	162	14.2	15.9		144	
Kenya	2.1	113	130	31.8	23.4	84	84	0.9
Lesotho	4.2	107	125	69.3	55.6		109	
Madagascar	2	116	138	17.9	35.6	84	82	0.79
Malawi	3.8	138	156	23.5	27.3	107	119	0.64
Mali	3.8	156	165	18.4	26.6	80	71	0.62

Table 1: Continued

Country	GDP Average annual % growth 1990-2000	HDI Rank 1991	HDI Rank Average 1991-2003	Government Effectiveness Percentile Rank 1996	Government Effectiveness Percentile Rank Average 1996-2002	Index of Economic Freedom-Overall Rank 1996	Index of Economic Freedom-Overall Rank Average 1996-2003	E-governent Index 2001
Mauritania	4.2	148	150	63.1	49.9	115	116	0.91
Mauritius	1.2	47	59	79.3	75.2		63	0.84
Mozambique	6.4	146	162	26.3	40.3	127	114	0.71
Namibia	4.1	105	117	74.3	69.2		60	0.65
Niger	2.6	155	169	13.4	17.6	124	120	0.53
Nigeria	2.4	129	141	7.8	8.9	86	100	1.02
Rwanda	-0.2	133	154	9.5	23.6		129	
Senegal	3.6	135	150	37.4	54.9	113	91	0.8
Sierra Leone	-4.5	160	170	48.0	21.4	93	117	0.68
Sierra Leone	-4.5	160	170	48.0	21.4	93	117	0.68
South Africa	2	57	92	70.9	68.2	61	60	1.56
Sudan	2.1	143	146	2.2	5.7	127	136	
Swaziland	3.1	104	115	53.6	39.4	77	72	
Tanzania	3.1	127	146	8.9	30.8	93	96	0.83
Togo	2.6	131	140	20.1	16.9		128	0.65
Uganda	7.1	134	150	43.0	48.3	36	54	0.46
Zambia	0.5	118	141	16.2	22.8	61	75	0.75
Zimbabwe	2.4	111	124	50.3	22.6	115	136	0.76

Sources: Compiled from: World Bank, 'World Development Report', 2002; UNDP, Human Development Reports, various years; Kaufmann, 2003 et al. www.worldbank.org/wbi/governance/govdata2002; Heritage Foundation in association with the *Wall Street Journal* (www.wsj.com); and United Nations. *Benchmarking E-government: A Global Perspective. Assessing the Progress of the UN Member States*. New York, May 2002.

Government effectiveness is one of the measures of good governance recently developed by the World Bank (Kaufmann, Kraay and Mastruzz 2003). It measures:

> the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies. The main focus of this index is on "inputs" required for the gov-

> ernment to be able to produce and implement good policies and deliver public goods (Kaufmann et al., 2003: 3; www.worldbank.org/wbi/governance/govdata2002).

This index captures both strategic (policy) and operational (service delivery) aspects of government effectiveness. It is therefore both managerial and citizen-centred.

The Heritage Foundation, in association with the *Wall Street Journal*, publish the annual Index of Economic Freedom. It measures 10 broad economic factors of trade policy, taxation, government intervention in the economy, monetary policy, capital flows and foreign investment, banking, wage and price controls, property rights, regulation and black market. The score for each factor ranges from 1 to 5; the higher the score, the greater the level of government interference in the economy and the less the economic freedom. Countries with an average score of less than 2.00 are categorised as 'free', while those with a score of 2.00–2.99 are 'mostly free'. A score of 3.00–3.99 is 'mostly not free', and countries with 4.00 or above are classified as 'repressed'.

Using the 1998 Index of Economic Freedom, Lipumba (1999) summarised the results of 38 African countries. None of these countries received a rating of 'free', seven were rated 'mostly free'; 25 were rated mostly 'not free', and six were rated 'repressed'. These results showed loss of freedom over the previous year.Yet, Lipumba also found that the Index of Economic Freedom seems to be correlated with the ability to attract foreign direct investment. Table 1 does not provide individual country scores. It shows rankings for 1996—the year most African countries were first ranked—and the average rankings for the six year period from 1996 to 2002. Rankings were used because they give a better indication of how African countries are doing, not only relative to themselves but also, more importantly for globalisation, in comparison with the rest of the world.

The fifth indicator used for readiness for globalisation is the e-government index of 2001, developed by the Division for Public Economics and Public Administration (DPEPA) of the United Nations, in association with the American Society for Public Administration (United Nations 2002). The index is derived from a weighted measure of Web presence, telecommunications infrastructure and human capital. It uses a numerical scale ranging from one to five, with one representing an emerging presence and five representing seamless or integrated applications. The scale measures the government's level of development, based primarily on the content and deliverable services available through official websites.

Out of 190 UN member states, data were obtained for 169 countries, including 33 African countries. The countries were grouped into four categories. At the top were countries with High E-government Capacity with a range of 2–3.25 score. Next was the Medium E-government Capacity with a range of 1.60–1.99. Minimal E-Government Capacity ranges from 1.00–1.59, and Deficient E-government Capacity, below 1.00.

Out of 33 African countries, all but six were found to be deficient on the E-government Index (see Table 1). The other six were categorised as having Minimal E-government capacity. As a measure of the state's capacity to utilise the Internet and the worldwide web for delivery of government information and service to the citizens and beyond, the e-government index provides at least three indicators relevant for globalisation. First, it is a measure of the capacity and willingness of the state to be *inclusive* and reach out to all citizens to provide information and deliver services. In Africa, citizen access to government (programmes, resources, opportunities, etc) remains problematic. Second, it is a measure of *openness,* both internally and globally as an outward-bound state. Third, it is a measure of the capacity of the state to undertake *transformational change* based on experimentation and learning.

In summary, the results of Table 1 show low levels of readiness for globalisation. Although GDP average annual growth rates show that during 1990–2000 most African economies started growing again, the growth rates are relatively modest, especially compared to newly globalising countries in Asia. As for the HDI, Africa's efforts to develop its human capital have been far less successful than the other countries with whom Africa must compete and cooperate for effective and mutually gainful globalisation.

Most of the countries shown in Table I show HDI rankings in triple digits in 1991. Moreover, practically all countries reported worse average rankings for the 1991–2003 period than at the beginning of the period. Even countries like South Africa, Botswana, Ghana, and Mauritius did not improve their average rankings compared to 1991. For example, South Africa lost over 30 ranking points over the 1991–2003 period. These results suggest that the rest of the world improved its human development and the quality of its human capital better than these African countries. Therefore, the citizens of these African countries may not be ready for effective globalisation compared to citizens of other countries with higher HDI rankings.

The results for government effectiveness are rather mixed. Significant improvements by countries such as Senegal, Tanzania, Rwanda and high levels of government effectiveness by Mauritius, Namibia, Botswana, and South Africa are overshadow by low and declining scores for Angola, DRC, Sierra Leone, Swaziland and Zimbabwe. The results for the Index of Economic Freedom have not changed significantly from Lipumba's 1998 results, and the African state remains economically mostly not free in *comparison* with the rest of the globalising world.

No single index can give a full picture of a country's readiness for globalisation. However, taken together, the results of these five indicators provide strong evidence that: (i) Africa lags behind in its efforts to get ready for globalisation; (ii) it is proving harder for Africa to catch up with the rest of the world; (iii) most African states are falling behind relative to the rest of the world; and (iv) only a handful of countries may be strengthening their readiness for globalisation.

Building the foundation for effective globalisation

It is becoming painfully clear that just as it was with Structural Adjustment Programmes (SAP) some twenty years ago, current efforts focused almost exclusively on improving the macroeconomic policy environment, democratic development and public sector reform may be necessary but not sufficient for preparing the African state and its citizens for the increasingly difficult challenges of the new wave of globalisation. While it is unrealistic to expect immediate results – it took China twenty years to prepare for membership in the WTO – maintaining the status quo is not a realistic option if Africa wants to participate gainfully in the global economy and global society. The prerequisite for getting ready for gainful globalisation is the building of a strong national foundation based on shared values and mindset, sense of common purpose and strategic directions, commitment to collective action, sagacious leadership at all levels of society and the emergence of responsive, effective and connected institutions. This in turn necessitates transformational change and development for society as a whole. Transformational change, as opposed to transactional, is strategic, system wide, long-term, interactive and process- and results-oriented aimed at bringing about fundamental changes in values, beliefs, attitudes, systems, structures, incentives, relationships and performance at different levels of society with government as the key player (Kiggundu 1998).

Kiggundu (2002a) proposes five elements needed for building the foundation for gainful globalisation. These are: (i) stabilisation; (ii) national consensus on the essence of the state; (iii) development of civil society and indigenous institutions; (iv) good governance and democratic development, and (v) capacity development for globalisation. Only stabilisation and the essence of the state are briefly discussed here because detailed discussions can be found for indigenous institutions (Dia 1996), governance and democratic development (Olowu and Sako 2002) and capacity building for globalisation (Rondinelli and Cheema 2003).

Stabilisation covers three areas: public security, public administration and management and economic management. The concept of stabilisation has been used for structural adjustment programmes (SAP). It is being extend here to include public security, especially for countries in transition from war to peace and public administration and management. Stabilisation is particularly important for countries and societies emerging out of war or conflict, those with a history of prolonged institutional decay and human rights abuses and those with weak and contested governance systems.

The most important component for building a strong foundation for mutually gainful globalisation is the institutionalisation of a national dialogue on the essence of the state and the development of consensus, or shared values and understanding of the essence of the state. Out of this dialogue should emerge consensus on a set of nationally shared core values, which in turn would help define the country's strategic directions, core institutions, core competences and core functions. The emerging consensus on the essence of the state should be global: embracing both the local indigenous virtues of society, and the global realities of the twenty-first century. Strategies for managing globalisation gainfully and building an open and inclusive society should be part of this broad based, participative and citizen-centred dialogue and consensus building. It is premature, and could be counterproductive to reform or strengthen institutions, reform capital markets and attract foreign investments, invest in human and physical capital, collect more tax revenue, etc., if there is no national consensus on their individual and collective relevance for good governance, globalisation or the values and strategic directions of the state and its citizens. Countries that fail to be bound together by virtue of strongly shared core values cannot build a strong foundation for mutually gainful globalisation. Countries with no consensus on core values, strategic directions, goals and priorities cannot build the foundation and institutions needed for effective globalisation. They cannot mobilise the collective will, resources or perseverance required to take advantage of globalisation's opportunities, or to defend themselves against its unpredictable vagaries. Available evidence suggests that Africa's most troubled states, like those of the Great Lakes Region, do not have strongly shared national core values, lack the collective capacity to overcome local and national crises and are globally challenged. On the other hand, Botswana, by means of *Therisanyo,* has articulated a statement of the essence of the state, national core values and long-term vision, which seem to serve the country well in building a stronger foundation for the effective management of globalisation (Government of Botswana 1997; Kiggundu 2002a).

Reorganisation for effective globalisation

Table 2 summarises the more practical strategies and structural interventions proposed by various authors for the effective management of globalisation. These interventions, however, have to be understood within the broader context of the need to have in place a strong national foundation, as discussed above. Rondinelli and Cheema (2003), the United Nations (2001), and Kiggundu (2002c), suggest interventions aimed at bringing about improvements in the macroeconomic policy environment, public sector reforms, and the development of civil society. These suggestions are characteristic of the approaches advocated by the donors, United Nations agencies and the architect of the Washington Consensus. They have been found to be necessary but not sufficient for bringing about the kind of transformational changes and development Africa needs for effective management of globalisation (World Bank 2002; Stiglitz 2003; Kiggundu 2002b).

Robbins and Ferris (2003) (Table 2), provide a list of practical recommendations specifically for agriculture, Africa's most important productive sector. In a study of the effects of globalisation on the agricultural sectors of 10 East and Central African countries, they found that governments and the people of these countries have not appreciated the scale and implications of globalisation on their economies. They also observed that without urgent strategic and behavioural changes, globalisation could seriously weaken these countries' economies in the years ahead. They recommended a wide range of changes both in the public and private sectors including major efforts to increase public understanding of issues in multilateral trade negotiations, reducing economic dependence on primary commodities and major reforms in agricultural development and research strategies. These findings speak to the need for similar studies of the impact of globalisation on other sectors of the economy and society. The results of these studies would identify needed strategic, structural, institutional and attitudinal changes for the effective management of globalisation both at the macro (national) and micro (sub-national) levels.

Most African countries maintain the same government structures inherited from the colonial administration with little or no regard for changes both within the country and the rest of the world (Kiggundu 2002c, 1998, 1992). Globalisation provides an excellent opportunity for governments to rethink the organisation of public administration, both at the national and sub-national levels. The five key areas that need immediate restructuring of government functions for effective management of globalisation are *economic management* (i.e., finance, labour, trade, agriculture, telecommunications, transport, higher education), *international relations* (i.e., foreign affairs, finance, trade, agriculture), *security* and the administration of justice (i.e., justice, police and prison services, immigration, intelligence, the military), and *the environment.* Globalisation calls for organic, cross-functional and team-based structures both within and across key institutions. It is important to adopt a comprehensive approach that would incorporate traditional institutions (Dia 1996), Weberian and post-Weberian bureaucratic norms of behaviour both in the formal institutions as well as society in general (Kiggundu 2002c).

Table 2 also lists a number of specific structural changes aimed at reorganising the national government structures (Kiggundu 2002a). These recommendations are based on the assumption that in their current form, public institutions in Africa are not properly structured and well organized to meet the changing challenges of globalisation, and to take advantage of the emerging global opportunities. Already, the global private sector, international organisations including the United Nations system and governments of other countries outside Africa are re-strategising, restructuring and reorganising or reinventing themselves in response to the challenges of globalisation (Ashkenas et al. 2002; Gore 1993; Kiggundu 2002c; Kirkpatrick, Clarke and Polidano 2002). As the recent United Nations Report (2001) confirms, African governments must do likewise if they hope to participate effectively in the global economy and global society. Traditionally, governments are not structured for agility, and therefore experience difficulties managing multiple transitions associated with globalisation. That is another reason why they should form coalitions, networks and partnerships with domestic and international actors both in the public and private sectors. Openness and accessibility are major challenges for Africa's public institutions. It therefore makes sense to begin by promoting openness locally and domestically. This would involve opening up government and other public institutions (e.g., reform of local gov-

Table 2: Summary of recommended strategies for reorganising the state for effective globalisation

Kiggundu (2002)	Robbins and Ferris (2003)	Rondinelli andCheema (2003)	United Nations (2001)
1. Appoint senior policy advisor on globalization	1. Strengthen national negotiating capacity.	1. Strengthen capacity for public administration.	1. Develop home-grown reforms to fit real needs.
2. Link globalization to national strategic priorities	2. Manage oversupply of primary product exports.	2. Create enabling environment for participation in a globalizing economy.	2. Make democracy meaningful and build a strong strategic state.
3. Create interdepartmental coordinating committee	3. Enforce existing trade protection	3. Promote socially equitable and sustainable economic growth.	3. Use public institutions and linking pin at the national, sub-national and international levels.
4. Create unit on globalization at executive level	4. Stimulate production of value added goods and services	4. Create partnership and collaboration for infrastructure development and service delivery	4. Develop core competences for economic, social and political development
5. Create independent agency on globalization, competitiveness, equity, and integrity.	5. Establish sectoral planning units	5. Build social capital, strengthen civil society, protect human rights and democratic development.	5. Institute core public service values (e.g. learning, integrity, competency, citizen-centred, diversity, etc)
6. Restructure and refocus select ministries	6. Establish national market education programme	6. Develop and mobilize human and financial resources and invest in productive and competitive private sector enterprises	6. Build effective networks (local, national, regional, international).
7. Contract for long-term consulting services	7. Establish market information services		7. Make globalization an instrument of inclusion, equity, empowerment.
8. Develop national programme on public education	8. Strengthen research and extension services		
9. Make globalization central to national governance framework	9. Stimulate local industry		
10. Support globalization initiatives at local, sub-national levels	10. Strengthen the legal framework for property rights, rule of law, and democratic development		
11. Establish a ministry in charge of globalization			
12. Mandate publication of annual report on the state of globalization			

ernment, citizen engagement using e-government), opening channels of communication and enhancing understanding across traditional local divides: race, ethnicity, religion, gender, urban-rural, etc. The more internally open and competitive a society is the more likely it is to benefit from openness and competitiveness with the outside world.

The functionally structured organisation of government along traditional line ministries is not suitable for the effective management of globalisation. Take the ministry of foreign affairs. This is one of the most expensive ministries, with offices in most of the key capitals of the world. Traditionally, career diplomats and political appointees staff these offices. The diplomats are usually trained in politics and international relations. While these are useful skills, globalisation demands more that diplomacy. It also requires intimate knowledge and understandings of international economics especially finance, banking and business; international trade; law; migration; environmental movements and international changes in social policy and socio-political movements. The challenge for newly globalising African governments with limited resources is how to reorganise ministries such as foreign affairs in such a way as to provide timely and useful services to the globalising citizens at the lowest cost. In general, externally oriented ministries such as foreign affairs have to establish effective coordinating mechanisms with internally oriented ministries, such as agriculture. Likewise, internally oriented ministries, such as local government or internal security, have to work in harmony with those ministries or agencies with established relationships with the outside world. Creating an interdepartmental committee of heads of departments, restructuring and refocusing select ministries for globalisation (see Table 2), helps to break down bureaucratic silos for better coordination, leadership and strategic decision-making.

Education is another portfolio that needs rethinking, restructuring and reorganising for globalisation. Traditionally, education has been considered a social service, grouped together with health and community development in the service sector. Policy makers regard education a consumption public good, and therefore, resource allocation tends to fluctuate according to annual budget pressures. As a result, for most African countries, the overall quality of education remains poor, unevenly accessible and below what is needed for effective globalisation.

In the newly globalising economy and society, education is not only a social service but also a competitive advantage distinguishing winners from losers. This is especially true of higher education, which should be seen as an individual, family and societal investment. This mindset leads to several structural policy implications. First, higher education should be separated from basic (primary) education. Where institutional capacities and economies of scale allow, basic education should be decentralised to sub-national local levels. Second, higher education should be taken out of the social sector policy framework or budgetary envelope and placed in the economic management sector. Third, priority areas for higher education should be determined by the country's needs for competitiveness in the global economy. While most educators put emphasis on science and technology, for some small African countries, their comparative advantage may also be in languages (e.g., Arabic, Chinese, Spanish, German, Russian, English, French or computer languages), assembling or professional personal care and human services. The challenge is to find a realistic niche and reorganise higher education accordingly. It is also the case that only in freedom can individuals be freely educated. Only by protecting basic freedoms can a society build the true foundations of scientific knowledge and inquiry.

In addition to reorganising line ministries, African governments must develop and strengthen central and regulatory agencies as part of the national integrity and regulatory system (Kiggundu 2002a: 76). The overall objective for a national integrity and regulatory system (NIRS) is to control corruption, strengthen regulation, protect human and property rights, and promote effective and equitable globalisation in both the public and private sectors. Corruption is bad for globalisation because it weakens the state, undermines the market, demoralises society, leads to institutional decay, and alienates the outside world. When the modern state is increasingly required to 'steer, not to row', the need for effective NIRS has never been greater. Therefore, no reorganisation is complete without a comprehensive assessment and realigning of central and regulatory functions such as audit, customs and revenue, central banking, elections, competitiveness, policing and law enforcement and government procurement and contracts. As well, there must be in place an impeccable system for regulating the regulators.

Reorganising at the sub-national level

Managing globalisation only at the macro (national) economic, political, administrative, legal and social/cultural levels is not enough. This is partly because globalisation is also a local concept manifesting itself most strongly at the local levels (Abdullah 1994). Therefore, those African countries wishing to build for effective globalisation must rethink, restrategise and reorganise at the sub-national levels. Three of the most important sub-national sectors for effective globalisation are the business private sector, the regional, local and municipal governments and civil society. Yusuf, Wu, and Evennett (2000), and their co-workers (i.e., Venables 2000; Henderson 2000; Mills 2000; Hayami 2000) extensively discussed and illustrated regional, local and urban dynamics for effective globalisation. Likewise, Lechner and Boli (2000) and their co-workers provide various discussions of globalisation and civil society. What follows below is a brief discussion of the importance of the business private sector for globalisation, drawing on the recent work by the World Economic Forum.

In its 2002–2003 Global Competitiveness Report, the World Economic Forum, in addition to providing data on the Growth Competitiveness Index, which is based on three macro (national) variables of economic growth, public institutions, and technology, also introduces for the first time the Microeconomic Competitiveness Index (MICI). MICI examines the underlying conditions defining sustainable levels of productivity in a given economy and society. It attempts to capture the two related concepts of productivity and the creation of wealth, both of which are rooted in the sophistication of business enterprises and their strategic and operating practices, as well as in the quality of the microeconomic business environment in which the country's firms compete (Cornelius, Porter and Schwab 2003; Porter 2003). According to Cornelius, although the macroeconomic, political, legal and public administrative contexts are important, 'unless there is appropriate improvement at the microeconomic level, other reforms will not bear fruits' (2003: xvii).

MICI is made of two broad sub-indices of: (i) the degree of company sophistication and (ii) the quality of the country's business environment. Table 3 provides operational details for each of these sub-indices. Company sophistication is operationalised in terms of firm operations such as production process sophistication, local and international marketing, staff training and willingness to delegate authority to lower levels of the hierarchy. It is also operationalised in terms of strategic functions such as company spending on research and development (R&D), capacity for innovation, extent of branding, nature of competitive advantage and extent to which incentive compensation is used.

Table 3: Summary of dimensions of the microeconomic competitiveness index for Africa's corporate effective globalisation

Company Operations & Strategy	National Business Environment	Related and Supporting Industries
1. Production process & Strategy sophistication	**A. Input Factor Conditions**	1. Quality/quantity of local suppliers
2. Nature of competitive advantage	1. Physical infrastructure	2. Local availability of process machinery, components and parts
3. Extent of staff training	2. Administrative infrastructure	3. Availability of specialised research and training services
4. Extent of marketing	3. Human resources	4. State of cluster development
5. Willingness to delegate	4. Technology infrastructure	5. Extent of product and process collaboration
6. Capacity for innovation	5. Capital markets	
7. Company spending on R&D	**B. Demand Conditions**	
8. Value chain presence	1. Buyer sophistication	
9. Breadth of international marketing	2. Consumer adoption of latest products	
10. Degree of customer orientation	3. Government procurement of advanced technology products	
11. Control of international distribution	4. Presence of demanding regulatory standards	
12. Extent of branding	5. Stringency of of environmental regulations	
13. Reliance on professional management	6. Laws relating to IT	
14. Use of incentive compensation		
15. Extent of regional sales		
16. Prevalence of foreign technology licensing		

D. Context for Firm Strategy and Rivalry 1. Incentives: - Distortive government subsidies - Favouritism in decisions of government officials - Labour-Management cooperation - Efficiency of corporate boards 2. Competition: - Hidden trade barrier liberalisation - Intensity of local competition - Extent of locally based competitors - Effectiveness of Antitrust policy - Decentralisation of corporate activities - Costs of other firms' illegal/unfair activities - Tariff liberalisation

Source: Compiled from Porter (2003, table 2)

The national business environment is in turn made up of four sub-sectors: the factor (input) conditions such as the physical, human, technological and administrative capital and infrastructure; demand conditions such as buyer sophistication, presence of demanding regulatory standards and government procurement of advanced technology; related and supporting industries such as the quantity and quality of local suppliers, availability of local process machinery and component parts, local specialized research and training services; and context for firm strategy and rivalry such as incentives and competition (See Table 3).

'The Global Competitiveness Report 2002–2003' provides MICI data for 80 countries, including a few African countries. Using multivariate statistical analysis (regression and factor analysis), the report examines the relationship between each of the MICI sub-factors and the countries' economic performance (GDP, PPP). For low-income countries, the results show that the most important aspects of company sophistication are improving the sophistication of production processes, becoming more customer-oriented and beginning to practice marketing, including branding. For the quality of the business environment, the statistically important sub-factors are: upgrading the quality of infrastructure (electricity, communications, transportation networks), establishing and enforcing sound regulatory environment (e.g., environmental standards, laws governing information technology); reducing barriers to competition (e.g., hidden trade barriers, distortive government subsidies); and strengthening antitrust policy. All these variables create the foundation of efficiency, quality, transparency and specialisation of underlying inputs that firms draw on for effective competition and globalisation. The report also found that in the initial stages of economic development and globalisation, 'other aspects of the business environment, such as financing, venture capital, and expanding the availability of scientists and engineers, are not yet priorities at this stage of development' (Porter 2003: 33).

The Microeconomic Competitiveness Index was scored from one (low) to five (high) for each of the 80 countries. The countries were then ranked from one (the best) to eighty (the lowest). Over a five-year period (1998-2002), the top five rankings went to the USA and several European countries (Finland, Switzerland, Germany, the Netherlands). The MICI rankings for select African countries were: South Africa (29, down from 25), Tunisia (32), Morocco (48), Namibia (51), Botswana (57), Nigeria (71, down from 66), and Zimbabwe (70, down from 48). Haiti (80) received the poorest ranking. No data were available for other African countries pointing to the need for more MICI research for all of Africa. The limited available data, however, points to weaknesses in critical areas where Africa needs to build the foundation for effective globalisation for the corporate sector. The combined effects of lack of strong nationally shared core values especially as they relate to the demands of globalisation, individual and institutional weaknesses at the macro (national) and micro (sub-national) levels as impediments to effective globalisation threaten to further marginalize the region, and to prevent the Africans from gainful participation in the global economy and society. Greater challenges lie ahead for Africa and the Africans in an increasingly globalising world.

Summary and conclusions

Using both macro and micro level indicators, it has been shown that Africa is not as ready for effective globalisation compared to other parts of the world with whom the region must both compete and cooperate. Individual and institutional weaknesses threaten to perpetuate the region's continuing marginalisation in the global economy and society. Current efforts to reform and build local capacities for more effective globalisation do not seem to have resulted in significant improvements over the past twenty years. One of the reasons for lack of progress may be that too much attention is paid to undertaking specific reform and capacity building interventions, but not enough attention is paid to the development and articulation of national core values and their relationship to the underlying values that drive globalisation.

In the future, individual countries should carry out in-depth diagnosis and analysis of their readiness for globalisation. Such analyses could focus on separate regions of the country (e.g. coastal or urban regions), sectors (e.g. agriculture), or institutions (e.g. productive enterprises, central and regulatory agencies, local government authorities). Regional initiatives such as NEPAD, US Government's African Growth and Opportunity Act (AGOA) and the Trade for Development and Enterprise (TRADE), as well as various poverty reduction, and capacity-building strategies including the Highly Indebted Poor Countries (HIPC) initiative should all be judged in terms of their individual and combined contributions to Africa's readiness for gainful and inclusive globalisation. Likewise, some of the energy and resources used for resisting and staging violent demonstrations against globalisation should be diverted to getting Africa better equipped for effective management of globalisation. This is a challenge Africans must take on with vigour and determination: they cannot afford to delegate it to outsiders.

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