

# GLOBALIZATION, REGIONALIZATION AND INFORMATION-COMMUNICATION CONVERGENCE OF AFRICA

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### **ABSTRACT**

Globalization is characterized by many accomplishments of the world economy: from regional trade agreements proliferation to the acceptance of international standards. One way of integrating Africa into globalization trends is through regional integrations. However, Africa's dependence upon its colonial leaders has not reflected well on the process of regional integration. Regionalism in Africa was led by public sector organizations and it was done without the public support and the support of private sector. Information-communication technology represents another limiting factor to Africa's integration into the globalization and regionalization processes. This paper analyses Africa's position in the global economy and the level of involvement in regionalization trends. Special focus is given to the analyses of the role of information-communication technology in a successful development of Africa and its inclusion into the global trends.

#### **KEY WORDS**

globalization, regionalization, Africa, ICT

#### **CLASSIFICATION**

ACM: [J.4] Social and Behavioral Sciences

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#### INTRODUCTION

Two fundamental characteristics of the historical period we live in are globalization and information technology [1]. There are different spheres of globalization, from social, political, economic to cultural. Each of the mentioned spheres is supported by the application of electronic trade [1]. Information economy is based on the fundamental transformation of the global political economy structure. There have been many changes in the areas of science, technology, business organization, production, learning and fun.

The new era brings potential risks connected to the possible restructuring of power and creation of new forms of inequality in the world. A strong divide may occur between the individuals that possess knowledge, skills and opportunities to contribute to the global information economy and those that do not possess it.

Information-communication technologies (ICT) represent the main drivers of globalized societies based on knowledge in new global era [2]. This king of technology has developed faster than any other in the world. Among other things, it enables the mobility of learning. The ICT influence on the modern society has been very strong and it has resulted in radical transformation in communication and information exchange around the world. The main role of ICT is to enable speedy information flow at very low costs.

There are many questions regarding the ICT in Africa, but the most common ones include the question of national strategies, liberalization of telecommunications sector, creation of adequate regulatory environment, infrastructure development and unequal distribution. There are many problems and limitations to the ICT use in Africa. For example, according to the data from 2004, in sub-Saharan Africa there is one Internet user per 250-400 people [3]. The world average is around 1 user per 15 people, while the average in USA and Europe is 1 user per two people. Also, in sub-Saharan Africa there are 8 computers per 1000 people. The world average is 68 computers per 1000 people, and in G8 states 360 computers per 1000 users. Internet connection in Africa is the most expensive in the world [4].

In Africa, the Internet remained exclusively connected to urban areas. Since most of the population lives in rural areas, it means that the largest part of the population will not have the possibility of Internet use in the near future. This part of the world is characterized by frequent struggles for ensuring health care and education. Furthermore, the Internet is much more expensive than in the USA or Europe. According to some records, it is 5-10 times more expensive [3]. There are not many contents on the web created in Africa. According to 2002 records, those contents amounted to 0,05 % which represents a very small part [3].

Besides the access problem and the cost of the Internet, illiteracy in Africa represents another problem, as well as language barriers. It is one thing to have access to the Internet and totally different thing to be able to use it. English language dominates the web and, as mentioned above, many people in Africa do not know the language.

In order to understand the diffusion of technology in Africa it is necessary to appreciate the role of traditional means of information communication. Informal ways are dominant, especially to poor people in rural areas. Information that come from the leader of the community, a family member or a friend are more credible that those that come from the ICT sources.

ICT represents one of the obstacles to Africa's integration into the globalization and regionalization trends. This paper analyzes the position of Africa in globalization conditions and its achieved level of regionalization, with the special focus on the role of the ICT in successful development of Africa and the process of integration into the global trends. The paper is divided into six parts. The first one is the introduction. The second part analyzes

globalization and regionalization trends in general, while the third part analyzes those trends on the case of Africa. The fourth and the fifth part analyze ICT as the necessary precondition for successful regionalization and globalization of this continent, as well as the challenges of the regionalization. In the last part of the paper certain conclusions have been made.

### **GLOBALIZATION AND REGIONALIZATION**

The concept of globalization and opening to the world assumes that every country is connected to other countries, deepening of those relations and building mutual collaboration. Foe example, it is considered that Asian countries grew so fast due to the fact that they had intense economic, and especially trade, connections with the rest of the world [5]. Although globalization had some negative effects such as deepening of income gap between and within economies, it also brought certain positive consequences like fast economic growth and technological advancement [6]. One of the factors that highly contributed to the globalization process is trade liberalization.

Globalization means the convergence of economic, political and cultural systems [3]. It may be characterized by many accomplishments of the world economy: from regional trade agreements proliferation to the acceptance of international standards. Technology advancements that include global telecommunication infrastructure, cross-border transfer of data, Internet, satellite networks and wireless phone are also contributed to the globalization process [3]. It can be said that global market integration is stimulated by growth and development of the ICT [3]. However, the growth of the world economy that resulted from globalization process has its winners and losers [3].

Opposite to the globalization, a new trend of regionalization has emerged in the last few decades. Regionalization comes in two forms: trade and institutional [6]. The first type is the result of natural economic development and the benefits of agglomeration, such as the use of economies of scale, exceed the costs. Fast growing economies interact through trade and non-trade channels in order to fasten economic growth. The second type of regionalization processes includes institutional forms such as regional trade agreements. Regional trade agreements are discriminatory trade agreements that ensure preferential treatment only for member countries.

The concept of the most favored nation in the article 1 of GATT forbids member countries to lead discriminatory trade policy against each other. GATT allows its members to form those kinds of agreements that eliminate, rather than decrease trade barriers within the integration. Agreements also can not raise trade barriers on the goods produced outside of the integration. So, regional trade agreements may not increase trade barriers to countries outside the region and must eliminate barriers among member countries. While regional trade integrations increase trade within integration, if they result in higher barriers to outside countries, then they endanger trade liberalization as a whole.

In reality, as to the third country relations, that is, countries that do not belong to the integration, effects of regional agreements are mostly non-preferential in the areas of investments as the most important way of offering services on foreign markets, and as for the competition, the non-discrimination approach has been accepted.

In certain sensitive areas regional initiative may be more or less successful then the activities on multilateral level. Different combinations of measures among regional trade agreements prove that some arrangements offer new possibilities of use of protection measures and measures against imports [7]. The possibility that liberalization on regional level brings better results for the total global welfare than liberalization on the global level, cannot be excluded.

Structural adjustment is one of the obstacles to the regional integration creation. Non-competitive sectors must face large competitive pressures from regional integration members. One of the possible solutions to the problem of structural adjustment is the use of liberalization time frame for sensitive sectors. WTO allows countries the period of ten years to form a free trade area [6]. In that way, financial, technical or other types of help that would ensure quality human resources can be organized for the workers that may experience some potential damages from the regional integration creation.

Sustainable development can not be achieved without low or decreased trade barriers [8]. There are some critics of trade liberalization that argue that there are countries which have opened to trade but did not achieve higher growth rates as an argument for protectionism. However, they predict that trade openness all by it self can not lead to higher growth, but it can create more favorable conditions for sustainable development than protectionist policies.

#### **GLOBALIZATION AND REGIONALIZATION OF AFRICA**

There is a general consensus in the economic literature that trade liberalization is a useful tool for growth stimulation when properly implemented. Trade liberalization can be conducted on multilateral level, based on GATT/WTO principles. Regional trade agreements obstruct non-discrimination principles because members liberalize trade among themselves, but not with the rest of the world. Most Asian and Latin American regional trade agreements are motivated by the need of ensuring dynamic trade possibilities and achieving competitive advantages on non-member countries [9]. Integration trend is increasing also due to the failure of single economies to multilaterally achieve their interests in certain areas. In that way, regionalism becomes second best option after multilateralism.

There is vast literature that researches the effects of regional economic integration creation on intra-regional trade and it is mostly agreed that it accelerates trade. However, the literature also claims that those countries with similar production structures will not experience benefits from integrating. Nonetheless, regional integration fosters efficiency and welfare, no matter the intensity of intra-regional trade and it is still desirable [9].

Njinkeu i Fosso [9] claim that regional trade agreements in Africa do not represent a threat to a multilateral system and thus far have not succeeded in excluding non-member countries from using different business opportunities. According to the authors, African countries are faced with the problem of choosing an appropriate institutional arrangement whose rules they would be able to follow.

Regardless the compatibility of regional trade agreements with multilateral trading system, the main question is whether trade agreements can lead to increased volumes of trade in a way that trade becomes the main driver of economic development in Africa.

Regionalization in Africa gained importance in the 1960s when Economic commission for Africa proposed the division of Africa into regions for the purposes of economic development. There have been considerable number of regional arrangements made in Africa and current African integration arrangements can be divided into two broad groups: first group are the arrangements that were in accordance with the Lagos Plan of Action<sup>1</sup> (LPA) adopted in April 1980, and the second group of arrangements that were either in existence or came about outside the LPA (Table 1) [10].

Weak trade flows and poor results concerning economic growth indicate that the general approach to regional integrating in Africa needs to be revised. African regional integrating schemes until 1990s were built on the basis of import-substitution industrial paradigm. They

**Table 1.** Regional economic integration in Africa. Source – Matthews, A.: *Regional Integration and Food Security in Developing Countries*. Ch 6. FAO Corporate Document Repository, Available at: http://www.fao.org/docrep/004/v4793e/v4793e00.htm#Contents.

Integration	Decade 1960s	Decade 1970s	Decade 1980s							
West Africa										
REI under the Lagos Plan		1975 Economic Community of West African States (ECOWAS)	1993 revised ECOWAS Treaty							
REI outside the scope of the LPA	1966 Customs Union of West African States (UDEAO)	1973 Economic Community of West Africa (CEAO), West African Monetary Union (UMOA)	1994 West African Economic and Monetary Union (WAEMU)							
Central Africa	Central Africa									
REI under the Lagos Plan		1983 Economic Community of Central African States (ECCAS) or (CEEAC)								
REI outside the scope of the LPA	1961 Bank of the Central African States (UDEAC), 1964 Economic and Customs Union of Central Africa (BEAC)		1994 Economic and Monetary Union of Central Africa (CEMAC)							
Southern and East	ern Africa									
REI under the Lagos Plan		1981: Preferential Trade Area (PTA)	1993: Common Market for Eastern and Southern Africa CBI 1993 Cross Border Initiative (COMESA)							
REI outside the scope of the LPA	1969 (originally 1889) Southern African Customs Union CMA Common Monetary Area (SACU)	1980 Southern African Development Coordination Conference (SADCC)	1992 Southern African Development Community (SADC)							
	1967 East African Community I (EAC)	IGADD 1986 Intergovernmental Authority on Drought and Development	1999 East African Community II (EAC)							
			IGAD 1996 Intergovernmental Authority on Development							

targeted trade and factor integration of markets through mega projects with very little attention given to the prevailed structural limitations.

New wave of regionalism is putting more emphasis on political integration in which progressive level of integration is considered only when there are adequate conditions for it. This approach to regionalization seeks deep integration that will enable countries to create common market for goods, services, capital and labor, including the harmonization of rules. Few integrations have designed and implemented programs for deepening cooperation and integration beyond trade and included sectors like transport, energy and telecommunications. Others go even further than that and include public finance, monetary and exchange rate policy, investment policies, etc. This wave of regionalism aims to lower costs of private sector activities and thus create open and united regional economic area [9].

The African union was selected at the highest political level to serve as a frame through which Africa can connect and cooperate before integrating with the rest of the world. The process is expected to progress through progressive phases of integration deepening in five regions: Middle, East, North, South and West Africa that are expected to integrate and to form the African Economic Community in 30-40 years period, beginning in May 1994. Efficient implementation of the plan represents a big challenge. Unfortunately, the trend of regionalization in Africa follows the, so called, "spaghetti bowl" paradigm – there are around 30 regional trade agreements on the continent and each country is, on average, a member of four different ones [9]. The problem is when certain countries are a part of totally different schemes with mutually inconsistent liberalization agreements.

The action plan for stimulating intra-regional trade and promotion of regional integration as a way of accelerating African development can be observed in four points [9]:

- 1. taking commitments that can be fulfilled. African governments will not be taken serious if they continue the proliferation of regional integrations that are poorly financed, with conflicting commitments or without concrete actions that would serve as its basis. It is urgent to carry out a rationalization of the regionalization process,
- 2. deepening of the political reform on national and regional level in order to create dynamic regional markets, increase trade liberalization on the continent with special focus on intraregional trade and then on inter-regional trade. Transparent, predictable and rule-based global trading and economic system supports growth and development of Africa. But, gradual approach towards liberalization is required. Given the current level of social and economic institutions vulnerability, the immediate implementation of international rules could negatively affect long-term development. African countries have to ensure that integration into the global trends is in line with general development goals. African trade is limited by market imperfections which explain high business costs. Coherent trade strategy with adequate sequencing between the creation of relevant exporting base before further liberalization on imports side is crucial. Regional integration should promote convergence of macroeconomic policies which will help in ensuring a stable frame. There are grounds for optimism in all sub-regions. Institutional frame should include mechanisms that encourage healthy business environment. Credibility can be achieved by negotiating carefully the liabilities in bilateral and multilateral negotiations. The key is to set the rules for every region. One option is to follow the WTO rules. Other option is to create credible liabilities in line with the existing Economic Partnership Agreements between Africa and the EU. Third option is to regionally set the goals like those of macroeconomic convergence criteria for UEMOA,
- 3. proactive participating in making the rules on global level. Once the coherent strategy is accepted, a proper legal base must be created for the accepted process. WTO has rules of managing regional trade agreements that have to be followed. Multilateral rules which are consistent with African regionalism aspirations are necessary. For example, negotiations about the article 24 of GATT from 1994 imply that there is lack of explicit special and

differential treatments. The priority of African countries is to include specific asymmetric rules into the WTO negotiations on regional trade integrations. Also, to encourage the creation of AEC, as well as active participation in the WTO,

4. dealing with the key problems of competitiveness. Significant constraint of African trade expansion is connected to the lack of infrastructure and other institutional deficiencies. There is a need to develop regional frame in key areas such as investments and competition, as well as the need for encouraging trade, regulation reforms and finance mechanisms. All regional integrations have projects of trade stimulation.

Important element of action plan is its implementation and it can be articulated around the following elements [9]:

- ensuring appropriate infrastructure to support the flows of goods,
- harmonization and simplification of legal systems, procedures and formalities connected to importing and exporting activities and transit,
- modernization of all relevant actors and procedures through increased automatization,
- adjusting the rules and procedures to the international standards,
- national, cross-border and permanent regional coordination,
- putting in place effective mechanisms of information sharing between the government and users.

It is recommended to establish agencies for the promotion of regional integration in all sub-regions. Such agencies would make sure that there is a proper installation and management of material infrastructure and services necessary for transit of goods in the region.

# INFORMATION-COMMUNICATION CONVERGENCE AS AN INCENTIVE TO REGIONAL INTEGRATIONS IN AFRICA

Globalization and information technology represent unique opportunities for Africa. In order to capitalize those opportunities the region has to be prepared to deal with some considerable challenges [1]:

- development of communication and information infrastructure,
- human capital development and increased employment,
- current position of Africa in the world economy,
- insufficient legal and regulation frames, as well as government strategy.

Benefits of the information era can not be achieved by countries that do not have developed national information and communication technology. Moreover, the educational criteria are constantly increasing. Comparative advantages in Africa are built upon the access to large number of uneducated and cheap labor force, but it would be useful to develop national and regional strategies of education and attracting back educated labor force in order to meet the postulates of this new age. Also, special focus should be given to alleviation of negative effects on the parts of population whose education level and skills do no meet new requirements. Low level of education and high unemployment rates undermine Africa's opportunities to use the advantages of ICT.

Globalization and IT development have worsened Africa's position in the world economy because today advantage is gained with products and services based on knowledge. Appropriate legal and regulation infrastructure will increase the possibilities of countries to attract foreign investors and to stimulate local participation in the information economy. Problems concerning the protection of intellectual rights, electronic payments and variety of other areas concerning the consumer protection must be solved.

Potentially beneficial areas for Africa are [1]:

- content development: enables African countries to participate in global partnerships and to share and use information from others,
- electronic trade and small and medium entrepreneurship: enables small entrepreneurs to do business more easily,
- education, learning and research: enables better quality, lifelong learning and access to research results,
- development of rural areas: enables access to necessary information concerning the rural life, agriculture, access to services like health services or education, and it decreases migration from rural areas.

In order for Africa to use these advantages and decrease potential distresses, it is necessary to plan strategically on national, regional, sub-regional and global level and to develop collaborative approaches.

Because Africa does not dispose with the necessary elements of ICT it is pushed to the peripheries of global development [11]. Africa needs to find a way to use ICT in development purposes. Digital divide, that is, uneven access to ICT within or between nations, is a part of wider development gap. The introduction of new technologies has caused the increase in the gap between those who have opportunities to use ICT and those who do not have, so called "digital divide" [12]. ICT can not produce some huge development improvements all by itself, but it can be used as a tool of wider development strategy.

ICT has potential as a powerful tool for social, political and economic improvements in Africa. The use of new technology is necessary in local conditions where it can vary from region to region. A serious constraint are limited resources considering that there are lots of problems in water and food supply, and also housing, education and health problems.

Convergence of communication services – sound, data, video and transmission through the same digital network is promising for socio-economic development of the African continent [13]. Since technologies are made available digitally, transmission of different services through the same digital network results in convergence. Convergence is very important for Africa because it can affect the delivery of public services (including health services and education), redefine the way of doing business and ensure that individuals have access to those kinds of services.

Convergence adaptation would help African countries to get wider access to communication at lower costs which would stimulate economic growth. Adaptation to this form of convergence is the condition for full and efficient participation in the global economy and information society, but there are some barriers in terms of infrastructure and institutional capacity, regional integrating and regulatory frame [13].

There is a critical need for communication infrastructure development and broadband access in Africa. Development of this kind of infrastructure is important from the aspect of creating regional integrations and to enable poor people participation in the knowledge economy. Economic growth in Africa will depend upon the access to ICT services that enable access to local, national, regional and global markets.

Broadband access is important infrastructural pillar for development of the information society. For region like Africa, the above mentioned would not be a luxury, but a vital need in a society increasingly based on information and knowledge. Broadband access opens the doors to economy based on knowledge and promotes regional social and economic development.

The biggest challenge to the diffusion of broadband access is the cost of it. Currently, communication costs in Africa are about 100 times higher than in Europe, Asia or North America [13]. This mostly affects the ones with limited resources: students, researchers, doctors, scientists and others. Less expensive access to institutions, especially governments, schools, universities, libraries, hospitals will ensure access to information, and all with the purpose of increasing the region's contribution to the global economy and increased probability of finding successful solutions to African development problems. Unless the connectivity between the countries improves, efforts for accelerating economic growth will not have effect.

Regulatory frame is another problem concerning the convergence goal. It is necessary to redefine regulatory frame or to create a new one. African national regulators must deepen their understanding concerning the convergence questions and establish communication channels between telecommunication regulators and the media in order to develop a unique regulatory frame that will accelerate the convergence. Africa should also strengthen the harmonization among national systems and build its market to maximize opportunities that come from the use of economy of scale and trade integration.

Only ten years ago many Africans have not heard for e-mail, the Internet or for SMS, nor did they use the telephone [14]. Almost imperceptibly, the situation began to change in 1990s with the deregulation and abolishment of government controls and barriers to radio and television transmissions. In the nineties there was also a trend of deregulation of the rest of the telecommunications sector, introduction of mobile phones and creation of African mobile giants: Celtel and MTN. Today, most African countries have 60 % coverage with mobile phone networks [14]. According to the International Telecommunications Union, in 1998 about 2 % of Africans had a mobile phone, and 32 % in 2008, which is still below the world average, but indicates a rapid growth in Africa.

Table 2 shows chosen indicators of ICT development per 100 people in the 2005-2009 period by world regions. It can be seen that Africa lags behind other regions considerably, and also in relation to the world average in terms of all indicators: number of fixed phone lines, number of mobile phone subscribers and Internet users.

Useful tool for measuring development in ICT by countries is the ICT development index – IDI which consists of 11 indicators that cover access, the use and skills related to ICT [15].

Table 3 presents the best ranked countries according to the IDI by the world regions (out of 159 countries). It can be seen that the first African country is ranked at 66th place, and the fifth African country is on the 109th place.

ICT is the key for transforming traditional economies into the knowledge and information based economies [16]. In countries like Africa, human factor is crucial for the prosperity and development and it can represent a valuable asset in digital era, so every country should invest in human capital development, especially in education and training for the ICT use. Concerning the human capacity development, African countries should pay attention to the capacity widening and development, inclusion of the private sector, organizing distant learning and so on [16]. ICT should target individuals that have the necessary skills. The possibility to acquire informatics literacy should be available to everyone. The cost of ICT products and services can be decreased through the inclusion of private sector and by lowering telecommunication tariffs [16].

ICT has brought a lot of jobs in areas like engineering, trade and marketing. It has created hundreds of small enterprises that work in mobile industry. ICT has developed the use of mobile Internet and banking. The growth of this industry supports FDI inflows, which is also important to mention [16].

**Table 2.** ICT development indicators (per 100 residents) 2005-2009. Source: International Telecommunication Union.

	2005	2006	2007	2008	2009				
Fixed phone lines									
World	19,3	19,4	19,0	18,5	17,8				
Africa	1,4	1,5	1,5	1,4	1,5				
Arab countries	9,4	9,5	9,9	10,3	9,8				
Asia and Pacific	15,5	15,9	15,7	15,1	14,2				
Americas	32,8	31,7	30,7	30,4	30,1				
Europe	45,2	45,0	43,6	42,5	41,6				
CIS	23,0	24,9	25,6	26,0	26,0				
Mobile phone subscribers									
World	33,9	41,7	50,2	59,6	68,2				
Africa	12,7	17,7	23,3	32,1	37,5				
Arab countries	26,6	38,5	52,1	61,3	72,1				
Asia and Pacific	22,3	28,4	36,1	46,0	56,0				
Americas	52,9	62,9	73,2	82,0	90,4				
Europe	91,1	100,5	111,0	117,8	118,9				
CIS	59,7	81,9	96,4	113,0	127,8				
<b>Estimated Internet user</b>	'S								
World	15,9	17,5	20,8	23,7	26,8				
Africa	2,2	3,0	3,6	5,9	8,8				
Arab countries	8,1	10,7	13,2	16,1	18,4				
Asia and Pacific	9,4	10,6	13,5	16,5	19,3				
Americas	36,3	39,2	42,2	45,6	48,3				
Europe	45,9	49,4	55,7	60,0	62,9				
CIS	10,8	13,0	18,4	24,9	35,7				

**Table 3.** Top 5 countries according to the IDI by regions, in 2008. Source: International Telecommunication Union.

Region	Parameter	1.	2.	3.	4.	5.
Africa	Country	Seychelles	Mauritius	South Africa	Cape Verde	Botswana
	IDI rank	66	72	92	102	109
Arab countries	Country	UAE	Bahrain	Qatar	Saudi Arabia	Kuwait
	IDI rank	29	33	45	52	65
Asia and Pacific	Country	Korea	Japan	Hong Kong	Singapore	Australia
	IDI rank	3	8	11	14	15
Americas	Country	USA	Canada	St. Vincent	Argentina	Uruguay
				&Grenadine		
	IDI rank	19	21	46	49	50
Europe	Country	Sweden	Luxembourg	Denmark	Netherlands	Iceland
	IDI rank	1	2	4	5	6
CIS	Country	Russia	Belarus	Ukraine	Kazakhstan	Moldova
	IDI rank	48	55	58	69	73

#### THE CHALLENGES OF AFRICA'S REGIONALIZATION

Some of the many African sub-regional arrangements have a long history of existence, dating back to the pre-independence era. On the other hand, various African countries have only recently rekindled their interest in economic integration, but for different reasons from the initial decolonization agenda and the desire to overcome the colonially imposed boundaries. They have been inspired by the success of integration efforts in Europe and the Americas [17].

There are certain specific characteristics of African countries that largely affect the motives and the success of regional arrangements. These include the small size of the typical African economy, the fact that many of them are landlocked and therefore need the cooperation with their coastal neighbors for a more effective integration with the global economy, poorly developed infrastructure services (especially transportation and communication), poverty and low living standards, absence of the economic and social stability necessary for growth and development. These and other related features of the typical African economy have been identified as key factors that may hamper the rapid and sustained growth of many individual African countries. It is then argued that regional integration and cooperation are, perhaps, the most appropriate way of relaxing the constraints imposed by these factors [18].

However, research on and practical experience with respect to the implementation of regional integration arrangements in Africa and elsewhere suggest that success often demands more than the mere desire of small countries to link themselves together on the basis of these plausible arguments [18]. Analyzing what type of regional integration or cooperation would be appropriate for achieving specific objectives, how should the integration or cooperation scheme be designed, structured and implemented, as well as what would be its proper scope and coverage is of great importance before the beginning of integration process.

In general, it can be said that regional integration arrangements in Africa have not been successful in the sense that they have not significantly improved intra-regional trade nor intra capital flows. According to Fine and Yeo the volume of intra-regional trade has stagnated or even declined slightly, and there have been no changes in the composition of trade that would suggest that integration has led to any significant structural change in the economies concerned. They argue that this poor performance record of Africa's regional integration schemes is could be expected since many of the preconditions for success suggested by economic theory were not present at the outset [19].

Elbadawi explains that regional integration schemes in Africa did not bring positive effects due to the characteristics and the constraints many African countries face [20].

A survey of African regional integration schemes made by Oyejide suggests that the design and implementation of many of the arrangements in effect actually constrain rather than promote intra-regional or overall trade [21]. This counter-intuitive result seems to emanate from such prominent features as consensual decision-making arrangements, overlapping and sometimes conflicting memberships, lack of regional level monitoring of the implementation of decisions, apparent unwillingness of governments of member countries to cede authority to the regional bodies, and the consequent lack of resources and power by the regional secretariats to take initiative and promote regional perspectives [21].

To sum up, as the most important reasons for the lack of success of African regional integration attempts in the past the following can be identified [10]:

• intra-regional trade in Africa as a part of the total trade has traditionally been low in comparison to other integrations,

- considerable macroeconomic imbalances that affect most of African countries, public debts, over valuated currencies, small tax bases with tariff revenues as important revenue source. Most countries have accepted protectionist import-substituting strategies. Economic context was not favorable for regional integration development,
- economic costs of participation that are mostly current and concrete (in the form of lower tariff revenues and higher import competition), while economic benefits are long-term and often unevenly distributed among member countries,
- domination of a few larger countries and great disparity in the size of the countries within
  regional integration have led to problems of benefit distribution, and mechanisms that
  would ensure compensation to less developed member countries either did not exist or
  were inefficient.

Africa's dependence upon its colonial leaders has not reflected well on the process of regional integration. Regionalism in Africa was led by public sector organizations and it was done without the public support and the support of private sector. Cooperation was seen as a bureaucratic problem and not as a way to grow and develop. Institutional weaknesses, including the existence of too many regional organizations, inability of governments to fulfill their financial liabilities to regional organizations, weak preparedness before meetings are also reasons for current level of integration. Integration agreements are not characterized by strong supranational bodies and virtually all integration institutions are intergovernmental. Considering their history, these countries have difficulties with renouncing their sovereignty.

Despite the above mentioned problems, there is optimism that new wave of regionalism will have positive effects in Africa. New regional initiatives, compared to the old ones, are characterized by outward orientation and openness to the rest of the world in order to ensure that regionalism is followed by larger sub-regional integration into the world economy, direct inclusion of private sector in formulating and implementing positive political environment, avoidance of new institution creation, etc. [10].

New regionalism has to consider following questions that are partly the reason for unsatisfactory results in the past [10]:

- membership overlapping that needs to be solved and allowing clear political liabilities to certain group of countries,
- in order for markets to function, member countries have to be in peaceful terms. Wars and conflicts in many African regions that have ruined transportation and telecommunication networks must be peacefully resolved,
- private sector has to be included in the integration process,
- new political instruments are necessary to address the fear of polarization, for example, introduction of agreements that would allow weaker members more time for liberalization, establishment of regional investment banks, etc.,
- it is necessary to strengthen dispute mechanisms and political credibility. Investors need to have trust in the integration and long-term liberalization.

#### CONCLUSIONS

Globalization and regionalization represent recent world trends. Africa is attempting to keep the paste with globalization trends by regional integrating processes. Generally, regional integrations are becoming deeper which represents a problem for Africa due to the fact that there are many integrations in the continent and countries are members of various integrations at the same time, even the ones that do not have harmonized rules, which raises

the question of their ability to fulfill the agreed commitments. Developing countries often perceive regional integrations as an industrial policy development tool. Economic integrations of developing countries are different than those of developed countries because they integrate with the purpose of boosting economic development, industrialization and decreasing poverty. Africa's dependence upon its colonial leaders has not reflected well on the process of regional integration. Regionalism in Africa was led by public sector organizations and it was done without the public support and the support of private sector. Cooperation was seen as a bureaucratic problem and not as a way to grow and develop.

African countries have to intensify their efforts in adopting and using ICT. Most African countries do not use that kind of technology for several reasons: weak telecommunication infrastructure, low investments in equipment, language barriers, lack of necessary skills, ethical and legal issues like plagiarism. Lack of ICT development makes it harder for countries to interconnect and cooperate on regional and multilateral level. Further ICT development is necessary in order to enable positive effects of regional integrating and joining the globalization trends.

#### **REMARK**

<sup>1</sup>The Lagos plan covers a wide spectrum of issues which are of topical concern to the African region as it approaches the twenty-first century. A closer scrutiny of the Plan reveals tridominant features, notably, the development of priority sectors; skills and training for participation; and institutional development at the national, subregional and regional levels.

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## GLOBALIZACIJA, REGIONALIZACIJA I INFORMACIJSKO-KOMUNIKACIJSKA KONVERGENCIJA AFRIKE

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### SAŽETAK

Globalizacija se može okarakterizirati brojnim dostignućima svjetske ekonomije: od proliferacije regionalnih trgovinskih sporazuma do prihvaćanja međunarodnih standarda. Jedan od načina uključivanja Afrike u globalizacijske trendove je regionalno integriranje Afrike. Ovisnost mnogih afričkih zemalja o svojim prijašnjim kolonijalnim velesilama nije se odrazila povoljno na regionalne integracije. Regionalizam je bio vođen odozgo, organizacijama javnog sektora i nedostajala mu je potpora i uključivanje privatnog sektora i šire javnosti. Informacijsko-komunikacijska tehnologija predstavlja još jednu od prepreka uključivanja Afrike u trendove globalizacije i regionalizacije. Ovaj rad analizira položaj Afrike u globalizacijskim uvjetima i dostignutu razinu regionalizacije, a posebno ulogu informacijsko-komunikacijske tehnologije u uspješnom razvoju Afrike i uključivanju u suvremene trendove.

## KLJUČNE RIJEČI

globalizacija, regionalizacija, Afrika, informacijsko-komunikacijska tehnologija