

# Globalization and democracy with reference to eastern and southern Africa

FRANCIS K. MAKOA<sup>1</sup>

## ABSTRACT

*Globalization has caused anxiety and uncertainty among the less developed countries; the reason being that it is still unclear as what this new political economy portends for these countries. Also at the heart of this unease is what seems to be globalization's profound political and social consequences for the Third World countries, especially those in poverty-stricken Africa. Would they be able to cushion themselves against globalization's painful effects? One of the key demands of this new political economy is that there should be no political interference in economic activity and investment decisions. Thus globalization presents the less developed countries with what seems to be an intractable conundrum. While touting democracy as a condition for economic success, the neo-liberal ideology which underpins globalization removes the economy from the political agenda through its advocacy of laissez-faire economic policies that preclude government involvement in investment decisions, hence shielding private capital and the bourgeoisie from social and political scrutiny. With reference to eastern and southern Africa, this paper examines the broad political implications of globalization and reflects on the possible strategies that might cushion the regional states against its vicissitudes.*

## Introduction

NOTWITHSTANDING THE fact that it has become a new model of development, globalization is a source of much anxiety and uncertainty for the less developed countries. At the heart of this unease is the increasing

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<sup>1</sup> Department of Political Administrative Studies, the National University of Lesotho, Roma, Lesotho

autonomy and power of capital and the concomitant loss by governments of control and influence over economic investment decisions. The diminished role for politics and governments in this global restructuring, a phenomenon attributable to globalization, occupies the centre stage of the ensuing political debate. As the analysis will show later, the increased autonomy and power of capital and the decreased role for the state in economic investment decisions, as the tempo towards a single global economy mounts, are seen as inversely related to popular democracy. Globalization, or the new political economy, depoliticizes economic activity, thereby removing it from the democratic agenda. It shields capital from political scrutiny, denying people the right to shape their national economies according to popular needs.

The debate presents globalization as a force, "transcending space/territory/state..., a world beyond states and territory which is distinct from such states..." (Clark 1999:39). It is possible that globalization is beyond the control of states, but whether it heralds an end of the state is a moot point. But, regardless of whether or not it circumscribes the role of the state in economic investment decisions, globalization needs to be protected by the state. It needs the protection of the state for its purveyors lack the capacity to maintain the law and order on which it is dependent. Thus, rather than being mutually antagonistic, as the neo-liberals want us to believe, economic globalism and politics are mutually supportive. However, this symbiotic relationship is not without contradictions, as shown above, and these present serious dilemmas for the less developed countries that are being pressurized by the developed western capitalist countries to liberalize their systems of government.

### **Globalization: ideological and theoretical underpinnings**

ALSO DUBBED THE new political economy (NPE), globalization derives its theoretical and ideological underpinnings from the classical *laissez-faire* doctrine and liberal ideology which emerged during and dominated seventeenth and eighteenth century economic and political thinking. Both doctrines stress competitiveness and the right of individuals to access and exploit resources. However, competitiveness "often means reducing labour costs by corporate down-sizing, large-scale redundancies

and expanding market control through corporate buy-outs" (Karger 1996:6). The slogan of competitiveness provides a rationale for cheapening or devaluing labour in various ways. These include, for instance, the adoption of policies and strategies that either lead to unemployment or facilitate the free movement of capital, thus encouraging capital flight and making it easy for corporate organizations to disinvest as they see fit.

Capitalism's recurrent crisis since the mid 1970s, namely rising inflation, declining corporate profits and falling rates of investment, is attributed to trade unions and governments by the advocates of a return to the classical *laissez-faire* mode of managing the economy. Trade unions are said to be a factor behind wage inflation, while governments are blamed for excessive borrowing, spending and taxing. (Cox 1994: 46) Those arguing for the deregulation of economic activity say that governments do not promote social welfare (Mosley, Harrigan and Toye 1991:13). Wielding the slogan of "the separation of the economy and politics", (Cox 1994:50) the underpinning doctrine of the NPEs advocates less state involvement in the running of the economy. The ideological corollary of the doctrine emphasizes democracy, presenting it as "the key to economic development and social progress" (Harbeson, 1995:3). Its simultaneous appeal to and invocation of the two twin doctrines of economic *laissez-faire* and political liberalization interchangeably in the attempt to rationalize this new thinking follows the belief that, "because they point toward philosophically compatible goals, the processes of transition towards their realization are mutually reinforcing" (Harbeson :15).

Arguably, however, the democratization process in Africa which began in earnest in the 1980s is nothing more than capitulation to the beneficiaries of and the forces behind global capitalism. These forces seek to separate the economy from politics because they believe that this separation is a panacea to the continent's economic malaise. In turn, this accords with one of the strands of the *laissez-faire* doctrine, namely the public choice theory. The theory asserts that "private goods must be provided by the market whereas the government should provide public goods" (Ugorji, 1995: 542-545).

### **Globalization: defining features and manifestations**

THE PAPER ADOPTS what now seems to be an accepted definition of globalization, namely that it connotes the deepening of capitalist integration (Hoogvelt, 1997:115), the concomitants of which include increasing human interaction and the growing power and influence of corporate business that proceeds in tandem with and encapsulates the marginalization of the state. The crises of the 1970s provided the necessary impetus to the process of economic restructuring, paradoxically lessening the importance of the Bretton Woods system, which until this time regulated international monetary relations. Admittedly, its two key institutions – the International Monetary Fund (IMF) and the World Bank – survived the crisis. But their functions have changed. They are no longer standard setters, as was the case when they had full responsibility for managing and overseeing international monetary transactions (Cohen 1995: 218–220). Their new role is to subordinate “domestic economies to the perceived exigencies of a global economy” (Cox 1994:46). However, the logical corollary of this novelty is a diminished role for the state and the increased power and freedom for multinational corporations (MNCs).

The Bretton Woods system ensured order and discipline among the participants for it approved par values for currencies and because it enjoyed a virtual monopoly in permitting the alteration of values to correct trade imbalances. Since its key institution, the IMF, operated as a reserve of national currencies and gold subscribed to by member countries, it was able to provide supplementary reserves for them. However, the trading partners had unequal drawing rights based on quotas assigned to each according to their relative importance in the world economy. Notwithstanding this, however, the money guaranteed by the system cushioned members against the shocks produced by trade imbalances, for each member was entitled to borrow an amount of foreign exchange equal to its entitlement.

At the political level the Bretton Woods system served as a forum for international consultation and cooperation on monetary matters. More importantly, it committed governments to the principle of collective responsibility in regard to the management of the international monetary

order. The collapse of the system led to the emergence of the present free monetary exchange market regime, a critical factor behind ongoing globalization. The arrangement not only solved the problem of the overvaluation of currencies, it also facilitated the free movement of capital, capital flight and easy disinvestment. The ascendancy of liberalism as a hegemonic ideology following the defeat of socialism enabled Western donor countries to use aid to achieve democratic change and economic restructuring in developing countries, including Africa. Liberalization became a condition for access to development aid. The developing countries were blamed for their economic problems, the majority of which were in fact due to the dynamics of the global economy (Mosley, Harrigan and Toye, *ibid.* 1995:8) Many of these problems were, however, attributable to the deteriorating terms of trade associated with the fluctuating commodity prices.

The 1980s witnessed a "disengagement by the developed Western countries from aid, trade and investment commitments in Africa and the deepening engagement with each other" (Harbeson, *ibid.* 1995:8). This has meant that Africa, including East and southern Africa, had to compete with the former Eastern Bloc countries for international aid and European and North American markets. This new twist in European and American aid and trading policies aimed to liberate "the market from the shackles of governmental planning and direction" (Harbeson, 1995:9) and to wriggle out of the burdensome foreign aid commitment.

Unshackling the market from politics, on the other hand, supposedly brings about efficiency by releasing resources that are critical to private capital accumulation. It "implies the roll-back of the state, both in terms of its ownership of industries, financial institutions and marketing agencies" (Mosley, Harrigan and Toye, 1991:11). But in a free market regime private accumulation and the profit motive are the overriding goal of any investment decision. Thus productive capital logically gravitates towards the areas that promise high returns. Hence the apogee of globalization is marked by shifting centres of production that fragment existing jobs and operations and lower or freeze wages at certain levels. However, these shifting centres of production often do not herald new and increased capital investment. More importantly, it does not mean

that their spread, if any, has been even throughout the world. They are usually concentrated in specific areas, regions or countries. But not every country can be an attractive location for foreign capital. The developing states, which can provide neither a viable market nor security, find it difficult to attract capital that might serve as an access to the benefits of globalization.

Thus, clearly, the high mobility rates of capital that are associated with globalization do not necessarily imply a spread of funds to developing countries. Neither has globalization seen an integration in bilateral relationships between the developed nations and the less developed countries (LDCs). On the consequences of this global restructuring for Africa, Harbeson (1995:7) notes that

Western donors... have been able to force Africa to integrate with the global economy they dominate through multinational channels, while they discourage integration in bilateral relationships by... retaining barriers to African participation.

Indeed, all they do is to subordinate African countries "to unelected bodies" (Harbeson, 1995:11), namely the IMF and the World Bank, including the international regimes such as the World Trading Organization and the General Agreement on Tariffs and Trade.

Globalization has proceeded in tandem with Africa's marginalization from the world economic system dominated by the rich Western industrial capitalist countries. The continent's declining share of the world output seems set further to reduce its importance to the MNCs – now acknowledged as the undisputed sources and purveyors of investment capital. The commodities produced by Africa are either no longer important or are produced elsewhere. Its trade with Western countries has been declining since the mid 1970s, while credit facilities available to it are few and selective. Also in decline are direct foreign investment (DFI) flows into the continent, perhaps confirming the view that Western industrial countries are disengaging from Africa (Harbeson 1995:15). The debt problem is likely to diminish further the prospects for increased DFI flows into Africa as it may scare away potential investors. The continent's total debt increased more than tenfold from US \$14.8

billion in 1974 to US \$183.4 billion, that is, about 109% of its total gross national product, in 1992 (Onimode 1992: 26). Currency devaluations instituted under the IMF's structural adjustment programmes have raised the cost of debt servicing. Table I highlights the debt burden for East and southern African states and the cost of servicing it in 1997.

**Table I: East and southern Africa countries' external debt in US\$ millions for 1997**

| <b>Country</b>    | <b>External Debt<br/>1997</b> | <b>% of GNP</b> | <b>Debt service ratio<br/>as % of GNP</b> |
|-------------------|-------------------------------|-----------------|-------------------------------------------|
| Uganda            | 3,707.9                       | 56.5            | 22.1                                      |
| Zimbabwe          | 4,961.3                       | 58.5            | 22.0                                      |
| Kenya             | 6,485.8                       | 64.7            | 21.5                                      |
| Zambia            | 6,757.8                       | 184.6           | 19.9                                      |
| Angola            | 10,159.8                      | 231.8           | 15.9                                      |
| Tanzania          | 7,177.1                       | 97.2            | 12.9                                      |
| South Africa      | 25,221.0                      | 20.0            | 12.8                                      |
| Malawi            | 2,206.0                       | 89.0            | 12.4                                      |
| Mauritius         | 2,471.6                       | 57.7            | 10.9                                      |
| Lesotho           | 659.8                         | 51.9            | 6.4                                       |
| Botswana          | 562.0                         | 11.6            | 5.2                                       |
| Swaziland         | 368.2                         | 25.4            | 2.5                                       |
| Namibia           | 85.0                          | 2.6             | —                                         |
| <b>TOTAL DEBT</b> | <b>70,823.3</b>               |                 |                                           |

SOURCE: COMPILED FROM THE UNITED NATIONS DEVELOPMENT PROGRAMME HUMAN DEVELOPMENT REPORT FIGURES, 1999, OXFORD, OXFORD UNIVERSITY PRESS, 193-195.

The debt burden is not evenly distributed among the individual countries of the region. There are gaping disparities among the debtor nations both in terms of the total amounts owed and their share of gross regional product. Eight years ago in 1991, for example, the Republic of South Africa's share of the gross regional product was 75%. Next in the ranking was the oil-producing Angola with a 6% share, followed by

Zimbabwe which accounted for 5%. (United Nations Development Programme, 1999: 49–52) This suggests that the benefits and costs of globalization differ from country to country and are, indeed, not distributed evenly among the regional states.

### **Levels of integration into the international economy: eastern and southern Africa**

WITH A TOTAL population of 143.1 million in 1997, (United Nations Development Programme, 1999: 198–200) eastern and southern African countries participate in the global economy as distinct and unequal units. Moreover, they have historically had no significant economic interaction in the form of trading. Thus their degrees of integration into the world system and how these have affected their economies are similarly varied. These two phenomena are, in turn, a function of two factors, namely resources endowment and levels of economic development. The economic disparities between the regions and among their constituent states, on the other hand, possibly have to do also with their history. The richer, more developed and more resourceful countries, like South Africa are not just more deeply integrated into the world economic system but get a greater share of the benefits offered by the system than their neighbours in eastern and southern Africa. However, an important caveat is that wealth is not the only integrative mechanism. There are many such mechanisms and some are less direct, like for instance, labour migrancy which, because it finances imports of consumer goods, is crucial to Lesotho's survival and participation in the world system.

The above notwithstanding, the quest for wealth lies at the root of economic interactions – intra and interstate alike. Rich countries export more goods and services, thus increasing their incomes and influence over the world system or regional economic groupings. In other words, wealth increases their share of the benefits offered by the world system or regional economic blocs. With its wealth and level of development, the United States is a dominant power, exporting goods and services worth US \$856,000 million, twice Japan's value of exports, in 1996 (Callaghy 1995: 42–45). The United States' huge internal market has

enabled it to prop up developing countries that it considered to be of strategic importance by accepting their exports, the policy's beneficiaries being mainly the South East Asian states or "Asian tigers".

In relation to eastern and southern Africa, South Africa has the largest and most advanced economy, even though it is doubtful whether it deserves the label dominant, given its insignificant economic interaction with the other regional states. The value of its regional exports in 1997 was US\$ 34,848 million or just over 137% of the total for its neighbours in eastern and southern Africa and 57.9% of the two regions' total exports for the same year. Table II shows both the disparity among the countries of the two regions and South Africa's economic preponderance. As the right hand column of the table shows, South Africa also imports more than the combined total of the rest of the members of the two regions. The volume of South Africa's imports does not merely signal that country's dependence on foreign trade, but underscores its economic strength and level of involvement in the global economy in comparison with the other states in the two regions. The value of its imports amounted to more than eleven times those of Zimbabwe, the second most developed country in Southern Africa. Angola occupies third spot, probably because it is an oil exporter.

While extrapolations from these statistics may be questionable it is clear from the table that, with the exception of South Africa, all the other countries are either marginal to or insignificantly linked with regional economies. Also clear is the fact that, as a whole, the economies of eastern and southern African countries are oriented away from Africa. Hence it would be presumptuous of us to surmise that their share of the benefits of globalization is significant. But, as globalization does not guarantee the spread of capital investment to the poorer states, it can be argued that the disutility of globalization will be greater for small and poor economies in the two regions. They are unlikely to attract enough foreign capital to cushion them against the painful effects of this new political economy. Yet the argument does not end here. We need to appeal to other factors that might be relevant such as the number and scale of the MNCs' investment, including its areas of concentration, in these countries. There are more MNCs, hence a bigger volume of foreign

**Table II: Eastern and southern African countries' regional exports and imports in US\$ millions in 1996-97**

| Country         | % of Regional |       | % of Regional |       |
|-----------------|---------------|-------|---------------|-------|
|                 | Exports       | Total | Imports       | Total |
| South Africa    | 35,848        | 57.91 | 34,585        | 53.65 |
| Angola          | 5,196         | 8.39  | 5,003         | 7.76  |
| Zimbabwe        | 3,227         | 5.21  | 3,829         | 5.94  |
| Kenya           | 2,994         | 4.83  | 3,787         | 5.87  |
| Botswana (1996) | 2,857         | 4.61  | 1,901         | 2.94  |
| Mauritius       | 2,725         | 4.40  | 2,879         | 4.46  |
| Namibia         | 1,726         | 2.78  | 1,908         | 2.96  |
| Zambia          | 1,276         | 2.06  | 1,474         | 2.28  |
| Tanzania (1996) | 1,259         | 2.03  | 2,118         | 3.28  |
| Congo (DRC)     | 1,463         | 2.36  | 1,350         | 2.09  |
| Swaziland       | 1,075         | 1.73  | 1,265         | 1.96  |
| Uganda          | 826           | 1.33  | 1,335         | 2.07  |
| Malawi          | 613           | 0.99  | 870           | 1.34  |
| Mozambique      | 500           | 0.80  | 937           | 1.45  |
| Lesotho         | 309           | 0.49  | 1,215         | 1.88  |
| TOTALS          | 61,894        | 99.21 | 64,456        | 99.93 |

SOURCE: COMPILED FROM THE UNITED NATIONS DEVELOPMENT PROGRAMME HUMAN DEVELOPMENT REPORT, 1999, 47-48.

capital, in South Africa than in any of the eastern and southern African countries.

From the foregoing we can derive the following: that South Africa plays a less marginal role in the global economy than the rest of the other countries of the two regions, suggesting that it has easier and greater access to international markets, modern industrial technology and foreign financial capital. In fact, there are indications that since 1985 the net foreign direct investment (FDI) flow into the rich developed countries has been phenomenal. For the United States this increased more than fourfold from US \$20,010 million in 1985 to US \$90,748 million in 1997 (Herbst 1995:149). South Africa enjoys the largest inflow of the

**Table III: Foreign direct investment (FDI) flows in eastern and southern Africa in US\$ millions between 1985 and 1997**

|              | Country foreign direct investment flow inflow (US\$ million) |       |               |       |
|--------------|--------------------------------------------------------------|-------|---------------|-------|
|              | % of regional                                                |       | % of regional |       |
|              | 1985                                                         | total | 1997          | total |
| South Africa | -449                                                         | -84.0 | 1,705         | 41.12 |
| Swaziland    | 12                                                           | 2.24  | 75            | 1.80  |
| Botswana     | 54                                                           | 10.11 | 100           | 2.41  |
| Namibia      | 16                                                           | 2.99  | 131           | 3.15  |
| Lesotho      | 5                                                            | 0.93  | 29            | 0.69  |
| Zimbabwe     | 4                                                            | 0.73  | 70            | 1.68  |
| Kenya        | 29                                                           | 5.43  | 40            | 0.96  |
| Congo (DRC)  | 69                                                           | 12.92 | 1             | 0.02  |
| Zambia       | 52                                                           | 9.73  | 70            | 1.68  |
| Tanzania     | 15                                                           | 2.80  | 250           | 6.02  |
| Uganda       | 4                                                            | 0.74  | 250           | 6.02  |
| Malawi       | 6                                                            | 1.12  | 2             | 0.04  |
| Angola       | 278                                                          | 52.05 | 350           | 8.44  |
| Mozambique   | —                                                            | —     | 35            | 0.84  |
| Mauritius    | 8                                                            | 1.49  | 38            | 0.91  |
| TOTALS       | 95                                                           |       | 3146          |       |

SOURCE: COMPILED FROM UNITED NATIONS DEVELOPMENT PROGRAMME HUMAN DEVELOPMENT REPORT, 1999, 50–52.

FDI – US \$1,705 million or 54% of the total for the two regions in 1997 – of any of its sister countries in eastern and southern Africa, as Table III shows.

However, South Africa registered a negative net DFI worth US \$449 million in 1985, probably because of apartheid. Its gross national product (GNP) of US \$130.2 billion in 1997 amounted to over 70% of the regions' total of US \$183.7 billion (United Nations Development Programme 1999: 45). Thus South Africa has some bargaining power *vis-à-vis* international capital, including the European Community (EC). One third of South Africa's foreign trade is conducted with the EC.

However, its trade with the rest of Africa is growing. Yet this does not mean that it is immune from the painful effects of globalization for, like the other states in the two regions, South Africa has to compete in this global market place.

### **What prospects for democracy?**

HYDEN (1997: 237) observes, perhaps rightly, that "democracy to date has been treated as a prisoner of liberalism ... only the liberal definition of democracy has counted". But does this matter, given the defeat of socialism and the ascendancy of liberalism as a hegemonic political ideology? Our conception of democracy in this paper is not different from the liberal one. It is thus defined from the liberal perspective as a "government which is derived from public opinion and is accountable to it" (Finer 1977: 63). One of the main characteristics of democracy is accountability. This implies "that a government must continually test its representativeness through a vote" (Finer 1977: 63). A democratic regime derives its legitimacy and theoretical basis from liberal state theories based on individual rights and the state acting in the common good, and one that relies on and guarantees the operation of a free market in civil society (Carnoy 1984: 13). But the erstwhile "mutual affection" between democracy and the *laissez-faire* economic doctrine seems set to diminish or dissipate under the new global economic order.

In a democracy individual rights are presumed to be not only paramount but also sacrosanct, their sacred character having been underscored by the United Nations via its Universal Declaration on Human Rights. However, democracy is not just about the right to vote, to compete for a leadership position, to move freely without restrictions and to choose rulers (Makoa 1995:4). For the vulnerable majority of people in eastern and southern Africa this list constitutes a meaningless menu. This is because none of these values help poor people to gain control over their governments and resources, including the processes that sustain or threaten their livelihoods. Without this control, they cannot determine their countries' destiny (Makoa 1995: 5).

The eastern and southern African political landscapes have changed since the beginning of the last decade. The two regions finally succumbed to the IMF and World Bank pressure for a double-pronged social programme involving economic and political liberalization. By the end of the last quarter of 1999 nearly all the countries within the two regions had held multi-party general elections which provided an opportunity for people to appoint their rulers. The elections enabled the voters, at least in principle, to express their policy preferences. These ensured a modicum of popular sovereignty.

That said, the real forces behind this democratization project were the same advocates of *laissez-faire* economic policies who preached the separation of the economy and politics. Thus, at the outset, the IMF- and World Bank-instigated programme of economic and political liberalization sets out to achieve this separation and, in particular, to subordinate the states concerned to international capital and to transform them into its own tool. The democratic agenda was recast in terms of the Lockean theory of political authority deeply sceptical about a powerful state. According to this theory, government is both a potential danger to individuals and a guarantor of their property rights (Dunn 1998: 54). It is a potential danger to individuals because it can abuse power. For Locke, "in civil societies political authority rests in the last instance on the consent of the ruled" (Dunn 1998:54). With regard to economic liberalization, the hypothesis of a "predatory state" was invoked. The state had to pull out of economic management not only because it was inefficient, but also because it consumed a large amount of resources (Zacher 1995:11).

At the outset, therefore, the democratization wave in Africa beginning in the 1980s was destined to become a project of the international bourgeoisie and protect its interests, namely its "rights of private property" (Karger 1996:8). These are in the main freedom to exploit resources and labour without state interference and the ownership of private property. Under pressure from both the IMF and Western donor countries, eastern and southern African states introduced wide-ranging economic

**liberalization measures.** The measures include privatization and selling off state-owned enterprises, slashing subsidies on food, education, medicine and housing, currency devaluations, tax concessions, cuts in public expenditure, market reforms and removal of tariffs and other protectionist policies.

### **Towards an appropriate response to globalization: issues for possible reassessment**

GLOBALIZATION DOES not take place outside states and trading regional blocs, even though the process itself transcends state borders and is increasingly autonomous. States and trading blocs remain its crucial framework. In any case, "the state is the architect of globalization" (Clark 1999:46). Therefore minimizing the adverse effects of globalization rests on creating or equipping these frameworks. These can "contain and mediate competitive global pressures which national policies cannot handle effectively..., for, after all, 60% of world trade transactions take place in regional blocs" (Clark 1999:46). Regional integration "is a means of gaining a better position within the global economy, while at the same time it can be used as a defensive response to the global free trade with the north, and a strategy for collective self-reliance" (Chasinga 2000:8-9).

Africa and eastern and southern African states can emulate the countries in the North by creating new mutual trading arrangements and stimulating or strengthening their existing regional economic blocs as means of increasing their share of the benefits yielded by globalization and creating a bulwark against the harmful effects of the process. As one analyst notes, for example, "integration in southern Africa would result in saving of costs due to coordinated investments in physical, social and institutional structures ..., larger investment flows, increased output ... and produce greater economies of scale" (van Rooyen, 1998:125).

Leistner (1997:113) identifies the Southern African Customs Union (SACU) as a successful regional cooperation which has promoted its members' vital economic interests. The SACU ensures the free movement of goods and has a common tariff system on all goods imported

from outside the union. It also provides "an element of a common monetary arrangement for Lesotho, Namibia, Swaziland and South Africa that enables members to access capital market and to obtain foreign exchange from the South Africa Reserve Bank." However, Leistner does not underestimate the problems attendant to economic blocs. Disparities among the different regional states would lead to number of problems. One of the examples is that smaller and economically weaker states would suffer from the "polarization of development effect", that is, capital flowing into the banks of developed members and, indeed, capital flight from the less developed ones. But this is not insurmountable provided that there is a political will to solve it. In fact, this did not prove to be a serious problem for the now-powerful European Community (EC).

### Conclusions

THE COUNTRIES OF the two regions are clearly affected to varying degrees by globalization. The more economically advanced South Africa enjoys a better position within the global economy, hence it can absorb the pressures of globalization. It can thus serve as a catalyst and core of a regional economic bloc that might be envisaged. The two region's fledgling democracies would benefit from this arrangement that, in turn, would facilitate a collective approach to the problem and ensure common policies and political norms, including mutual assistance among members of the grouping. These arrangements would no doubt help the states concerned to withstand the vicissitudes of globalization whilst also enhancing the prospects for stability and democracy within the regions. Efforts regarding the harmonization of national development policies and principles of government are already being tried in the Southern African Development Community (SADC) region, and these seem set to succeed. Success in forging an economic community in southern Africa will, no doubt, enhance the prospects for increased flow of development capital into the region which is, in turn, crucial to social stability and democracy. However, effective regionalism and the economic co-operation here suggested as a palliative for the pain inflicted by some aspects of globalization depends, in the final analysis, on the political and social accountability of the leadership.

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