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L'Afrique et les défis du XXIème siècle
Africa and the Challenges of the Twenty First Century
A África e os desafios do Século XXI
إفريقيا وتحديات القرن الواحد والعشرين

**Industrial Development in The Era of Globalisation:
Towards a Strategic Framework**

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Abstract

The paper defines the concept of neoliberal globalization as a the process of integration of global economic, production, distribution, political and social systems within the framework of the market. It will review the different definitions from the literature but emphasize its fundamental characteristics as a global phenomenon for capitalist accumulation, wealth creation and distribution. Writing on the sources of neoliberal globalization, Scholte (2005) perceives it as a “multifaceted causation, including conditions in the interrelated realms of governance, production, knowledge and social networks” He characterizes it as a shift from *statist* to *decentred regulation*, a system in which “*deep structures and powerful interests support a continuation of globalization-by-marketization.*”The French Economic analyst Pierre Bourdieu (1998), aptly describes it as “*a kind of infernal machine, whose necessity imposes itself even upon the rulers. They want independent central banks. And they preach the subordination of nation-states to the requirements of economic freedom for the masters of the economy, with the suppression of any regulation of any market, beginning with the labour market, the prohibition of deficits and inflation, the general privatization of public services, and the reduction of public and social expenses.*” Other definitions will be explored. The paper will also discuss how neoliberal globalization has affected Africa’s efforts to industrialise; how in particular, Structural Adjustment Programmes (SAPs) of the 1980s and the recent global economic and financial crisis of the past two years, are affecting efforts to develop industry. The negative impact of SAPs on the industrial development efforts of Africa are well document and the paper will review such literature. Evidence from Alemayehu (20010; Mkandawire (2001), UNIDO (2005; 2007; 2010), UNCTAD (2011); among others, will be reviewed to show how these reforms contributed towards de-industrialisation in countries like Kenya, Zimbabwe, Malawi and Lesotho. The global economic crisis also hit a number of local industries, for example, the auto manufacturing sector in South Africa, the textile and clothing sectors in Kenya, Lesotho, Zimbabwe, South Africa and Mauritius. The new rules of the international trading and financial architecture, embodied in the World Trade Organisation (WTO) represent the contemporary face of neoliberal globalization and those rules are imposed in environments where there are inadequate productive capacities. The asymmetrical trading system, also places obstacles for market access of African products into Northern markets and therefore contribute to stagnation of industry. The pressure to liberalise trade, prices, exchange

rates, against a background of inadequate technological, infrastructural and skills capacity, are major obstacles for Africa to industrialise.

The **focus** of the paper will be to review the experiences of industrializing countries in East Asian, for example, the experiences of Singapore, Republic of Korea and India. It will also review and draw lessons from South Africa's strategic approach to industry development under its Industrialisation Programme Implementation Plan (IPAP) I and II. It will draw on the current thinking within the African Union's Action Plan for the Industrial Development of Africa (AIDA). The strategies developed by UNECA (2011), UNCTAD (2009; 2010; 2011) and UNIDO (2007; 2009; 2011) to promote industrial development in Africa will also be critically reviewed and discussed. The paper will argue that key strategies for promoting industrial development in Africa must be based on, among others, a more effective role of the state in promoting industry infrastructure, identifying and facilitating joint ventures for innovation and industry development, in mobilizing resources through the fiscus and trade channels, in promoting fiscal, monetary and trade policies that promote industry development. Africa has to increase investment in technology and skills development in order to enhance capacity for manufacturing. It will be critical to create new comparative advantages that are based on high-value manufacturing activities and departing from traditional comparative advantage models that historically perpetuated deficits and fostered macroeconomic instability and increased indebtedness.

The paper will be divided into six sections

1. Introduction
2. Defining neoliberal globalization
3. Impact of neoliberal globalization on industry development in Africa
4. Lessons from selected industrializing economies in the East Asia and Africa
5. Strategies for industry development in Africa
6. Conclusion and recommendations