Globalisation and the challenges of unemployment, income inequality and poverty in Africa

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There is an urgent need to re-investigate the functional relationship between globalisation, unemployment, income inequality and poverty in Africa. Unemployment accelerates the level of income inequality and poverty within a given society. In spite of the beautiful slogans associated with it, the current globalisation seems to have aggravated the problem of unemployment, the corollary of which is endemic income inequality and mass poverty in Africa. In fact, the trickle down economy pattern has consistently failed Africa. What is good for Wall Street may not necessarily be good for Africa. Viewed from any angle, the African continent seems to have been marginalised and left behind by globalisation. Capitalist globalisation undeniably, created wealth but also intensified inequality and poverty, particularly in Africa. High growth rate of Gross domestic product (GDP) may be a good statistics to parade at international conferences and seminars. However, for the hungry jobless youths in the streets, these are meaningless numbers since they do not translate into job creation or cure their hunger. Therefore, it is high time that African nations look beyond the official statistics of the so called high GDP growth rate and get down to the hard business of creating real jobs that take out the hungry, angry and jobless youths from the streets into workplaces. African countries need to develop comprehensive strategies to create jobs locally. In this paper, the current author posits that there is a strong linkage between globalisation, unemployment, income inequality and poverty in Africa. Some mechanisms were proffered to overcome these bottlenecks.

Key words: Globalisation, global competition, government, inequality, poverty and unemployment.

INTRODUCTION

From the 1990s onward globalisation triggered an economic order, prescribing and describing ways in which business concepts and events are organised around the world. It is a phenomenon that has affected people differently in different spheres of life (Scholte, 2000; Bataoel, 2003). Ukpere (2010a) has posited that “globalisation is a powerful force that cannot be denied, as it has brought positive facets to some parts of the world, however, conversely, it has also threatened life, in a broader sense”. Globalisation amounts to an effective opening of national borders for economic activities. It is a state whereby national boundaries turn totally porous with respect to the movement of goods and capital and, to an extent, porous with respect to people, which is viewed in this context as cheap labour or, in some cases, cheap human capital (Pasricha, 2005).

Consequently, border-crossing is activated and accelerated through this process, which enable capital, companies, industries, people, ideas, diseases and even governments to cross borders.

Problem statement

The African continent seems to have been marginalised and left behind by globalisation. Capitalist globalisation undeniably, created wealth but also intensified inequality and poverty in Africa. Indeed, there is a positive functional relationship between globalisation, inequality and poverty in Africa.

Research questions

The aforementioned problem statement led to the following research questions:
i. Is there any relationship between globalisation, unemployment, inequality and poverty in Africa?

ii. Why is Africa continent not making progress towards the Millennium Development Goals (MDG) despite embracing economic openness?

iii. Has globalisation benefited the Africa continent and its people?

iv. What are the solutions to the current challenges of globalisation in Africa?

Research objectives

The following are the objectives of this research:

i. To provide an intellectual discourse on the functional relationship between globalization, unemployment, inequality and poverty in Africa;

ii. To establish why Africa is not making progress towards the Millennium Development Goals (MDG), despite embracing globalization;

iii. To establish to what extent the globalization logics has benefited Africa and its people; and

iv. To proffer mechanisms to overcome the current challenges of globalization in Africa.

RESEARCH METHODOLOGY

The research was based on an exploratory method. Exploratory studies are typically conducted to satisfy the researcher’s curiosity and desire for better understanding; to test the feasibility of undertaking on more extensive studies; to develop the method to be employed in any subsequent study; to explicate the central concepts and constructs of a study; to determine priority for future research; and to develop a new assumptions about an existing phenomenon. In their view, Selzitz et al. (1965), cited in Babbie et al., (2001) emphasis three methods by means of which exploratory research may be conducted, namely a review of the related social science and other pertinent literatures; a survey of people who have particular experience of the problem to be studied; and an analysis of ‘insight stimulating’ examples.

Exploratory studies usually lead to insight and comprehension rather than the collection of detailed, accurate and replicable data. Since this research intends to explore a wider phenomenon, it was reasonable to adopt the exploratory methods. It was necessary to follow open and flexible research strategies and to utilized methods such as detailed literature reviews, pertinent cases and expert views, which lead to insight and comprehension. Exploratory method was adopted because the paper is a non-empirical study. Being a non-empirical study, the research placed more emphasis on philosophical analysis, conceptual analysis and theory building/literature review, which is supported by the ‘emic’ perspective. diagram, and tables were used in this research to present most of the economic indicators.

GLOBALISATION DEFINED

Sklair (2002) has defined globalisation as a particular way of organising social life across existing state borders. It has also been viewed as “the process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human, physical well-being in societies around the world” (Globalisation 101.org, 2002). Giddens (1990) has observed that globalisation is “the intensification of worldwide social relations, which link distance localities in such a way that local happenings are shaped by events occurring many miles away and vice versa”. Jameson and Miyoshi (cited in Streeten, 2001) have stated that “Globalisation is the untotallizable totality, which intensifies binary relations between its parts-mostly nations, but also regions and groups, which, however, continue to articulate themselves on the model of ‘nation entities’.

Apparently, the globalisation phenomenon has become so popular to the extent that it has acquired different names in different world languages. Giddens (1999) has observed that: “Globalisation may not be a particularly attractive or elegant word. But absolutely no one who wants to understand our prospects at the century’s end can ignore it … In France the word is mondialisation. In Spain and Latin America, it is globalizacion. The Germans say Globalisierung”. Other names that are ascribed to globalisation are globalizzazion in Italian, globalização in Portuguese, mondializar in Romanian, while the Dutch refer to it as mondialisering, which conveys broadly the same meaning as worldization. Apart from the Indo-European languages, the Chinese call it quanqiuhua, the Finish globalisaatio, the Indonesians globalisasi, the Koreans Gurkie Hwa, the Nepali bishwavyapikaran, the Sinhalese jatyanthareekaranaya, the Tagalog globalisasyon, the Thai lokanuwat, the Timorese luau bo’ot and the Vietnamese toan kou hoa (Scholte, 2000). In spite of these awesome names and definitions, a relationship between globalisation, unemployment, income inequality and poverty, particularly in Africa should be investigated further.

UNEMPLOYMENT IN AFRICA COUNTRIES

The unemployment rate in sub-Saharan Africa (SAA) stands at 8.2% in 2009 (Ngozo, 2010). According to the International Labour Organisation (ILO, 2009), sub-Saharan Africa stands out as regions with extremely harsh labour market conditions and with highest shares of working poor. Around four fifths of the employed in SAA were still classified as working poor (Akuta, 2009; BBC News, 2009). According to the International Labour Office (ILO), about 7.2% of Africa’s youths are unemployed and an additional 46.9% are underemployed or inactive (ILO, 2009). An expanded definition of unemployment broadly includes everybody who can work, but is without a job (SA suffering from chronic skills mismatch, 2006). Samson (2009) has described the
unemployed as one without a job although able and
willing to work. Presently, there are increasing number of
people that have been added to global unemployment
figures, who move from one place to another in search of
jobs, which might have evaporated owing to automation
and retrenchments or moved to other regions, in order to
take advantage of favourable business climates and
government concessions, namely cheap labour, tax envi-
ronmental laws and tax holidays (Bala and Lu, 2009).

In South Africa for example, several female job seekers
have often become victims of violent crimes owing to
SA (cited in Naidoo, 2006) estimated that more than
60,000 of the country’s unemployed are graduates. The
CEO of Adcorp Holdings, Hilton Brown, has stated that
there are tens of thousands of qualified people, some
even with work experience, who are without jobs. This
shows that the unemployment situation in South Africa is
understated, as an increasing number of graduates have
become desperately willing to accept relatively lower-
paying jobs within the South African Correctional
Services, for example (Naidoo, 2006). Unemployment
rate in South Africa is currently at 24.5%, up from 23.6% 
in the previous quarter. The broad (unofficial rates) set
the figure as high as 32.5% (Hassen, 2008); while
COSATU maintained that more than 40% of South
Africans are unemployed. In this sense, South Africa has
a phenomenon of rising unemployment with significant
job termination within the global economy. In 2006 alone,
South African Airways terminated more than 1000 jobs
in order to reduce costs, to withstand global competition
(Phasiwe, 2006). More than 5,000 workers lost their jobs
in February 2009 alone in the mining industry in South
Africa. Some migrant workers from Lesotho and
Swaziland were also affected. The number of people in
South Africa with job in the third quarter of 2009, fell by
484,000 (Anand, 2009) to 12.9 million. Around 1.07
million jobs have been lost within the same period despite
initial estimate of 400,000. In fact, nearly half a million
jobs losses were witnessed during the months of July and
September 2009, being the largest fall in one quarter in
20 years. In addition, one in every eighteen jobs was lost
so far in the same year. This trend showed a continued
deterioration in SA’s labour market, with the jobless rate
up for the third quarter in a row according to the deputy
director-general at statistics SA, Kefiloe Masiteng (cited
in South Africa’s Employment Times, 2009). Table 1,
reflects sectorial job losses in SA in 2009.

The discontentment among workers owing to job losses
and poor working condition can be perceived from the
growing numbers of industrial actions witnessed in South
Africa. Violent industrial action could be the outcome of
poor industrial relations in an era of capitalist global-
isation. For example, South Africa has witness more than
10 industrial actions that were seriously violent in 2006
(International Herald Tribune, 21 September, 2006).

The security workers’ strike claimed hundreds of lives
through the worst barbaric style of killings and assassina-
tions. Some security workers who tried to resist the
industrial action paid with their lives. The security
workers’ strike was followed by the Baker’s industrial
action. Within a few days, the price of bread skyrocketed.

Other notable strikes in 2006 were the Shoprite work-
ners’ general strike for salary increase, textile workers’
industrial action over Chinese competition, amongst
others. These strikes were followed by SATAWU’s gene-
ral strike, which led to a serious confrontation between
the police and striking workers, culminating in the arrest
of some union leaders (Dolley et al., 2006). It was a
march to Parliament, which began on the open grounds
close to the Cape Town campus of the Cape Peninsula
University of Technology’s e-learning centre and was
witnessed by the present author. Prior to this, the South
African Police Services (SAPS) had thought of engaging
in industrial action if their plight remained unchanged.
One wondered what would have happened in South
Africa, if such a strike was allowed to happen. South
Africa is not the only case where the police force has
contemplated to move towards industrial action. Even the
Nigerian police force, one of the poorest paid forces in
the world, had contemplated industrial action but later
backed down, realising full well what Nigeria would have
turned into before the strike was over (BBC News, 1
February, 2002).

Still on Nigeria, globalisation ecstasy has made a
particular administration to assert that it is not the
responsibility of the government to create jobs. However,
ideally, job creation is one of the crucial roles of the
government. In other words, individuals with specific skills
may become jobless when there is paucity of oppor-
tunities within a given society. For example in Nigeria, the
textile industry which was the largest employer of labour
has folded up. These textile companies numbering about
145 in the 1980’s has created jobs for millions of people.
However, capitalist globalisation, which some refer to as
‘financialisation’ (Went, 2000; Dorasamy, 2010) has
made the financial sectors to become more booming than
the productive sector in Nigeria. Conversely, the financial
sector has over the years been able to create only about
300,000 jobs out of which more than 50% are casual
employsments. This is quite meagre when compared to
the jobs previously created through the productive
sectors. Therefore, in an economy, where the financial
sector is more buoyant than the productive sector, there
is bound to be problems owing to the vacuum emanating
from economic mismatch.

Entrepreneurial initiatives in Nigeria have not been
properly funded by the government most probably be-
cause the global logics seem to have taught the nation’s
leadership that governments do not interfere with the
economy or job creation. Consequently, about 54.4% of
the nation’s citizens go to bed hungry every night. In the
same picture of gloom, over 5 million Nigerian youths are
estimated to be unemployed. Unemployment has reached
a critical height in Nigeria. For instance, one month into his emergence as the Executive Governor of Edo state, Comrade Adams Oshiomhole (a labour leader) advertised about 10,000 jobs in the Newspaper, in response to escalating number of unemployed youths in his state. It turned out that over 95,000 applications were received. Therefore, one does need an additional evidence to show how real the problem of unemployment is in Nigeria. The everyday sight of the growing armies of the unemployed youths roaming the streets with despair written all over their faces attests to the gravity of the job market situation in Nigeria (Samson, 2009). In the heat of the ongoing economic crisis, the news that federal government intends to retrench about 160,000 civil servants is certainly bound to escalate the joblessness problem in the country (Nigerian Newsday, 2006).

In the absence of any national security system to cater for the jobless, more people will turn to crime. Indeed, there is a globular relationship between retrenchment, unemployment and crime. Rising unemployment increases the number of idle persons and, hence the number of criminals (Chinonso, 2007). As the crime rate increases in any society, investors become increasingly less confident. Decreased economic growth leads to a higher level of unemployment, while the unemployed, unable to make a living, turn to crime (Bendix, 2005). It can, therefore, be asserted that, as unemployment decreases, the crime rate will decrease but the problem lies with fuelling necessary economic growth, while crime prevails. Crime affects every aspect of society and business. Therefore, companies, which are quick to retrench workers without considering the social effects that it may have, may be acting irresponsibly and will in the end, suffer the consequences of increased crime and economic recession (Bendix, 2005). At the Central Bank of Nigeria (CBN), where the current author undertook his National Service (NYSC), and other government parastatals, the casualisation of most employment relationship and voluntary retirement packages for workers may signal a move towards pauperisation (Ukpere, 2009). While the evidence is not definitive, several studies of criminal behaviours within a capitalist dispensation have linked it to inequality, which points to the fact that high rates of crime are associated with falling income. The demography of criminality reflects a group that has endured the largest losses in real earnings such as young, under-graduate males. Surveys of inner cities show that many youths currently perceive crime as more lucrative than work (Freeman, 1995, cited in Matthews, 1998).

In fact, unemployment could be a reason why one could find some university graduate criminals presently in Nigeria. These are able-bodied person who are willing and ready to work after attending university for years as well as year of national service, but are without jobs (Chinonso, 2007). Even some previously employed graduates may have to face the wind of competition, which capitalist global forces have unleashed, and it seems that the only way out for corporations to respond to these putative global forces, is mainly via further retrenchments and unemployment (Bloch 1998; Scholte, 2000). Hence, frustration has led youths to crime. Presently, about 90% of arrested criminals state that a main reason why they engage in crime is hunger (Matthews, 1998). In addition, the growing number of graduates that are unemployed, have increased the rate of some sophisticated crimes such as money laundering, drug trafficking, human trafficking, bank and lottery fraud (popularly known as 419 amongst Nigerians or 420 amongst Indians), child labour, women trafficking and recently terrorism, to name a few.

In Kenya, the labour-intensive horticultural industry, which employs an estimated three million people suffered a 35% drop in export of flowers and has cut around 1,200 jobs in 2007 (Saleh, 2007). In Zambia, 8100 of the 30,000 workers in the mining sector lost their jobs in 2008, and further increases in unemployment are anticipated (Taiwo and Moyo, 2011). In the Katanga province of the Democratic Republic of Congo, 60% of enterprises have closed down and about 300,000 people have been laid off. The volume of rubber exports from Liberia declined from 135,000 tonnes in 2007 to 88,000 tonnes in 2008, which has also exacerbated the unemployment situation in that country (UNDP, 2011; Melik, 2011).

The current protest in Tunisia and other countries in Northern Africa is a reflection that youth unemployment should be at the heart of Africa’s growth agenda. Youth unemployment/underemployment is a threat to both authoritarian regimes in Tunisia and Egypt as well as democracies in Ghana and South Africa (Taiwo and Moyo, 2011). For example, in Ghana, unemployed youths have resorted to barricading government offices and making demands to politicians. Similarly, in South Africa,
the labour side of the tripartite alliance and the youth league had pulled their support from the Mbeki-led administration, which they perceived to favour the capitalist class at the expense of South African's majority-the poor, who have become victims of rising unemployment, inequality and poverty. However, his former deputy and current president, Jacob Zuma, seems to have been favoured at Polokwane for singing and dancing the tune of the youths cum labour alliance (Ukpere, 2010b).

In Egypt, thousands of men have lost their lives while trying to cross illegally into fortress Europe. Some sail from the Egyptian Mediterranean coast aboard fishing boats ran by smugglers. Many of them travel first to Libya, before attempting the perilous crossing to Italy (Saleh, 2007). The main reasons why they undertake this dangerous and excruciating journey are the same which drive illegal migrants from Nigeria, Togo, Ivory Coast, Republic of Benin, Congo DRC, Zimbabwe and other African countries, namely unemployment, inequality, poverty and lack of opportunities (Ukpere and Slabbert, 2007a). Hence, there is no prospect that the current situation will abate in the near future, which implies that many more young men will get drown or go missing until the economies of Egypt and other African countries can provide enough opportunities to keep their labour force at home. The situation could never be more depressing for Zambia. According to Nevers Mumba, former Vice President of Zambia, 25 nurses leave the country every month to seek greener pasture elsewhere, notably in Europe. The agonising issue is that these emigrants become more disillusioned when they slide further into poverty in their adopted countries (News from Africa, 2010).

Mr. Charles Chisala has remarked that this is a serious problem for the continent as migration has sucked directly from its intelligentsia. He further posited “this is the kind in which Africa has continued to sacrifice key professionals to other lands” (News from Africa, 2010). In concordance, the World Bank regional Vice-President, Callisto Madavo, has stated that the migration of Professionals Medical personnel to developed countries posed a serious threat to Africa’s health care system.

The question is; why are people running away from Africa? The answer is simple. People are migrating in massive numbers owing to endemic shortfalls in the continent’s system, which has been worsened by the shortfalls (unevenness) in the global system. These shortfalls have manifested in three important areas, namely increased inequality of wages and income, mass unemployment and extreme poverty. Several research points to the fact that there is a positive correlation between globalisation, internationalisation and unemployment in Africa. In fact, one major effect of globalisation in Africa is structural unemployment (Slabbert, 2006), which implies that there is an escalation at the bottom level of unemployment owing to the current policy of world-wide tariff reductions and a trend towards transferring some business and production facilities abroad (Adams et al., 2006). For example, when the Chinese textile industry flooded the South African market with their products, more than 50,000 jobs were loss overnight in the South African textile industry (Noffke, 2006). This is, indeed a cause for intense concern for a country, which has more than 40% rate of unemployment (COSATU, 2005 cited in Slabbert, 2006).

Growing unemployment and underemployment, which have been witnessed in Africa, can as well be attributed to the global logic of competitive profit-making management techniques of downsizing, atomisation and widespread automation (Ukpere and Slabbert, 2008). In addition, the positive aspect of an automation boom, which has brought new jobs into the Information Technology (IT) sector, and predicted to afford cheap access to information superhighways, has been weakened by endemic job destructions and losses that have been witnessed in other sectors of economies. Currently, customers have utilise the innovations and developments within the IT sector to make online travel bookings, perform banking operations, as well as other kinds of purchases and retail trade via the internet. Moreover, additional households have now possessed computers and data telephones, which enable them to choose products and services from a global supply chain, from their homes within a matter of seconds. These present trends have resulted in the withering away of a large section of the labour market and have as well contributed to the problems of rising unemployment and income inequality in Africa (Ukpere and Slabbert, 2007b).

In addition, several secured jobs, which will be phased-out, will be replaced by part-time posts, temporary work and various forms of low wage employment, which is markedly lower than they have previously been under the period of collective bargaining (Martin and Schumann, 1997; Ukpere and Slabbert, 2007a). Thus, globalisation has provided an opportunity for labour exploitation while, recently, many skilled workers have begun to occupy jobs for which they are over-qualified owing to the large pool of the unemployed in the continent (Adams et al., 2006). This has resulted in wide-spread job insecurity and an increase in the number of workers who are retrenched without severance pay (Matthew, 1998). The right to gainful employment was, indeed, one of the fundamental rights of every individual as enshrined by the UN Charter for human rights, as far back as 1945 (UNDP, 2003). However, it is a pity that the current global logics have exacerbated the erosion of this very fundamental right of the working person. Moreover, in the case of Africa, massive unemployment has distended the rate of income inequality within societies.

**Income inequality**

Continuing trends in unemployment have exacerbated the rate of inequality in Africa. It has been established that the divisions between the rich and poor, continues to grow (Haines, 2001). For example, the top 500 richest
people currently own US$ 1.54 trillion, which is more than the entire GDP of Africa (Prabhakar, 2010). It is an irony that Africa has one of the World’s richest concentrations of minerals and precious metals, yet some 300 million of its people live on less than one dollar a day (UN Economic Commission for Africa, 2005). In the case of Africa, “inequality is worsened when growth, which creates wealth, is not accompanied by decent jobs; the sort of growth that distributes wealth, foster consumption and drives investment” (Juan Somavia cited in News from Africa, 2010). As a result, the poor becomes poorer and rich become richer which creates inequality and poverty among the people of sub-Saharan Africa (Prabhakar, 2010). A study by the UN Economic Commission for Africa (2005) revealed that focussing on economic growth alone might not be the best way to halve poverty by 2015. The report of the study further stated that a crucial factor in the equation is income inequality, because it is not so much the growth figures themselves that matter, but the fact that economic growth is intricately linked to unequal income. In fact, poverty reduction or escalation is determined by the level of inequality in society. Thus, even if there is growth in a country, the way the income is distributed is vital. Nevertheless, in many African countries growth in national income rarely trickles down to the poor workers (UN Economic Commission for Africa, 2005).

For instance, in Nigeria, where some politicians earn more than the USA president, workers are recently comparing their difficult conditions with the affluent of the elites.

Another case in point is Burkina Faso, where thousands of trade unions members shut down economic activities four times in 2005, through a series of national protest over low salaries, high prices, lost jobs and inadequate social benefits (Harsch, 2006). One of the Union leaders, Bakary Millogo decries the workers’ ‘rampant pauperisation’ as opposed to the ‘scandalous and ostentatious’ lifestyles of high government officials. According to Reverend Father Balemans “the gap between the rich and the poor is widening ever more. Such a situation is all the more insupportable, in the midst of relatively high economic growth rates, which have been mainly for the rich... The workers have a right to their share of the national wealth, which, according to the government, grew in 2005 by 7%.” Another commentator added: “Burkina is running the risk of a social explosion of unpredictable consequences. The dangers are all greater because endemic poverty exists alongside visible signs of wealth. Some take a plane to get treated for hay fever, while others die because they cannot afford malaria treatment” (Harsch, 2006).

Elsewhere in Africa, similar development is also instigating growing concerns. For example, in Senegal, a boom in housing construction in Dakar, has led to the emergence of a middle class. Meanwhile, instability and poverty are gaining ground at the other end of the social ladder according to Fatimata (cited in Harsch, 2006). Nix (2007), has trace income inequality in South Africa to lack of skill and education by some sections of the labour force. She therefore concluded: “if education is the source of the high income inequality in South Africa, the best way to address this issue is to make a concerted effort to increase quantity and quality of schooling among all South African”. Inequality has indeed widened in Africa, with a tiny section of the population getting richer, while greater number of people are getting poorer. Herein re-echoes the words of wisdom of the former president of South Africa, Nelson Mandela: “Combating inequality... is an ethical and moral imperative. Massive poverty and obscene inequality is such terrible scourge of our times-in which the world boasts breath-taking advances in science, technology, industry and wealth accumulation—that they have to rank alongside slavery and apartheid as social evils” (Mandela, 2005). According to the UN Under-Secretary-General for Economic and Social Affairs, Jose Antonio Ocampo, “ignoring inequality in the pursuit of development is perilous. Focussing exclusively on economic growth and income generation as a development strategy is ineffective, as it leads to the accumulation of wealth by a few and deepens the poverty of the many... failure to address inequalities means that communities, countries and regions remain vulnerable to social, political and economic upheaval” (Harsch, 2006).

In that case, there should be a renewed effort by the Kenya government to shift resources to the poor in the Kibera slum of Nairobi, and of course, the Nigerian government should now reconsider the plight of those living in Ajegule and other slums like it, in order to reduce the level of inequality and poverty within those vicinities.

It was previously argued by the neo-liberals, that renewed growth would eventually “trickle down” to improve everyone’s well-being, including the poor. However, in spite of the acclaimed GDP growth rates in African over the past decades, the proportion of Africans living on less than US$1 per day continue to rise (Prabhakar, 2010) Therefore, many of the African’s poor have realised that the benefits of economic growth do not actually “trickle down” and the so called market mechanism of globalisation has failed to address the disparity between individuals and regions (Ukpere, 2010c). Indeed, where extreme inequalities exist, markets, by themselves, do not lessen the gaps. The poorest and most marginalised lack the resources and political voice to influence the distribution of goods and services. Markets have always benefited those with the greatest wealth and power. Therefore, the main avenue to reduce inequality lie in government intervention (DESA, cited in Harsch, 2006). “The essential important of state trans-ends the logic of market forces, particularly in areas such as ethics, equality, social justice and defence of right intrinsic to citizenship, which are foreign to market mechanisms and institutions... The state is also more effective in addressing risk, vulnerability, social exclusion,
destitution and many other issues not amenable to microeconomic calculus*. A survey by the AfroBarometer project found that even though most Africans prefer a mixed economy, “their vision favours state intervention above market forces”. Across the 15 countries surveyed, an average of 70% opposed reducing the size of the public sector (Harsch, 2006). Many development experts now concur with the above view, that it is vital to end “the folly of privatising state functions on a large scale and to rebuild the public institutions and services that were weakened or dismantled in recent decades (Jain, 2005). During the 1990s, the market liberalisation policies driven by the International Monetary Fund (IMF), World Bank and other TNCs led to huge cuts in government spending on social programmes, which in turn exacerbated inequalities. Such inequality meant that when national income raised, those at the top benefited most and when economic downturn or disaster struck, those at the bottom of the income scale (the most vulnerable) were hurt disproportionately. This situation has escalated the level of inequality and poverty in most African countries. The consequences of this poverty manifest itself in the form of increasing early mortality, diseases and malnutrition, prostitution, child labour, displacement and forced migration, the violence of social breakdown, state social control and fractional war, acute risk and uncertainty, environmental degradation and vulnerability, as well as a loss of existential material security (Amin, 2004). While tenure and security have changed only marginally for the majority, job offers for the unemployed have become increasingly unstable and lower paid (Matthew, 1998). This has in effect, expanded the gaps between the haves and the have not. In South Africa, for example, 22 million people live, on average, on less than R144/ (about $21) per month; the poorest 40% citizens remain overwhelmingly African, female and rural; 60% of female-headed households are poor versus 31% of male headed-households; two out of 3 children live in poverty; there were 3.1 million jobless African families in 1999 in comparison with 1.9 million in 1995; and 38% of the working population are unemployed, which renders South Africa one of the most uneven societies in the world (Adams et al., 2005). Ukpere and Slabbert (2007a) have cautioned: “Thus, in the face of the current single global economic dispensation, the problem of inequity has become more palpable for rational mediation. Inequalities in selected Africa countries were reflected as follows (http://worldbank.com/poverty/date/trends/social.pdf cited in Sklair 2002:51; Harsch, 2006):

i. Across sub-Saharan Africa, 37% of children did not go to primary school in 2001, the highest rate in any world region, while female share was 41%, and almost all children out of school are from poor families.

ii. Females have less than ½ the average number of years of education than do males in Benin, Burkina Faso, the Central African Republic, Guinea, Niger, Senegal and South Africa.

iii. In Cameroon, Cote d’ Ivoire, Eritrea, Ethiopia, Mauritania, Senegal and Sierra Leone, women often earn less than half of what their men earn.

iv. In Chad, women on average complete less than a quarter of the schooling that men do.

v. In Togo, 91% of women form the richest 5th of the population are attended by skilled health personnel during childbirth, while women from the poorest 5th, that share drops to 25%.

vi. In Mauritania, 93% of women from the richest 5th of the population are attended by skilled health personnel during childbirth, while that of the poorest 5th is 15%.

vii. In Accra (Ghana) death rates from infectious disease are twice as high for those living in the poorest areas compared with the richest areas.

viii. In South Africa, infant mortality rate for the poorest 20% of children is twice as high as for the richest 20%.

ix. In Zambia, the richest 10% of the population earns a total income that is 42 times larger than the poorest 10%.

x. In Ghana, the incidence of poverty in Accra the capital is only 2%, while in the rural savannah regions in the north, it is 70%.

xi. In Guinea-Bissau, women have only about ½ the income of men and are only ½ as likely to be able to read or write.

xii. In Guinea, 48% of all people visiting hospitals and primary health facilities come from the richest 5th of the population, while those from the poorest 5th make up only 4% of patients.

xiii. In Cameroon, a child born into the poorest 20% of families is more than twice likely to die before the age of 5 as one born into the top 20%.

xiv. 59% of deaths amongst the poorest 20% of the world were caused by communicable diseases, for the rich 8%.

xv. In Sierra Leone, the richest 20% of the population accounted for more than 63% of all expenditure, while the bottom 40% had the resources to spend just a meagre 3.1%.

xvi. In Nigeria, 39% of poor 6 to 14 years olds were in school, compared with 91% of rich 6 to 14years.

xvii. In Accra water consumption per capita is three times higher for the one third of people living in the richest areas compared to those living in the poorest areas.

xviii. In Morocco, 15% of the wealthiest under-5s quintile suffers from stunting, 39% of the poorest quintile; 6% of the richest children under 5 in Morocco are underweight and 23% of the poorest are underweight.

The fact that there is inequality in Africa does not exonerate other advanced nation from this economic monster. Inequality is a global trend since the era of openness. However, the situation is worse in Africa. The relative Inequalities in the USA is reflected as follows (Yanshi, 1999: 1):

i. The Washington Post carried an article on 1 March, 1998, saying that the richest 1% of the US population possesses more wealth than the total wealth of 90% of
the total population.
ii. The bottom 25% of the US families witnessed a 9% decline in income between 1979 and 1995, with the richest 25% of families enjoying a 26% increase during the period, according to a USA Today report in 1997.
iii. The income of the richest 5% of families was 5.7 times that for the bottom 20% of families in 1995.
iv. Official statistics released in 1997 show that the top 20% of US families shared 49% of the country’s total income in 1996, with the income level for the bottom 20% families falling by 1.8%.
v. The current income level for the top 20% of the population is nine times more than the figure for the bottom 20%, up significantly from the 3.5 times figure in 1979. In addition, some 75% of American workers earn less today than in 1979.
vi. 16% of the US population lived below the poverty line in 1974, with the figure rising to 19% in 1997.
vii. Results from the most recent census show a disparity in the economic status of blacks, with the average net property value of black families standing only a tenth of the level for white families. A USA Today article published in April 1997 noted that the income level for Afro-American families stands at only 63% of the level for white families.
viii. The Wall Street Journal (3 September, 1997) reported that the income level for black persons is 19% lower than that for a white person with the same education level. It also noted that the proportion of poverty-stricken black families is 15% higher than for poor white families, with the total number of the former more than double the figure for the latter.

Poverty in Africa

The rate of poverty has increased in Africa owing to global inequality. Indeed, increases in income inequality and poverty in the poorest developing countries, over the past decades, can be attributed to globalisation (Salvatore, 2004). Bonded and trafficking labourers, owing to restrictions on global labour mobility, are locked into livelihoods that provide no opportunity to shift from poverty (The Chronic Poverty Report, 2005). An initial guesstimate by Hulme and Shepherd (2003) provided a range of 389-727 million people in 32 developing countries, as chronically poor. However, recent data from the Chronic Poverty Report (2005) rendered the figure at around 300-420 million people. Chronically poor people are found across the world. However, the highest incidence of chronic poverty is in Sub-Saharan Africa, where 30-40% (about 90-120 million people) live on less than $1 per day. Ukpere and Slabbert (2007b) stated that, "Most of the incidents increasing the rate of poverty around the world today cannot be attributed to nature, but to man and the selfish capitalist institutions created by man".

The UN Research Institute for Social Development (UNRISD, 2000) approximated that the number of people who live on less than $1 per day, increased from 1,196,500,000 in 1987 to 1,214,200,000 in 1998. UNRISD maintained that although there is a reduction of poverty in East Asia and the Pacific, the Middle East and North America, however, there have been increases in the growth of poverty in post-communist Europe, Central and South Asia, Latin America, the Caribbean and Sub-Saharan Africa (Skilair, 2002). The AU’s current figure indicates that the proportion of people living in extreme poverty, using the new 1.25 dollars per day poverty line, is 51% in sub-Saharan Africa (Ngozo, 2010). "The incidence of poverty has increased in the past few years not because the world, as a whole, is getting poorer, but because the benefits of growth have been unevenly spread. There has been a striking increase in inequality (UNRISD, 2000: 11 in Skilair, 2002). For example, many African farmers struggle to survive while their counterparts in developed countries are handed over a billion dollars a day in agricultural subsidies. According to Juan Somavia, Director-General of the International Labour Organisation (ILO) (cited in News from Africa, 2010) "it is clear who is getting the special treatment". Zambia’s agricultural produce, for example is still unable to penetrate the US market under the African Growth Opportunity Act (AGOA) many months after the country was admitted to the preferential export facility (News from Africa, 2010). The data of 85 Third World countries (including Africans) has revealed a wide range of deprivation among them. For example, 64.7% of the populations in Niger were in severe poverty during the late 1990s. In general, more than one-third of people in African countries were in extreme poverty (Chronic Poverty Report, 2005). Figure 1, shows that the number of people in sub-Saharan Africa living in absolute poverty, more than doubled within two decades. The number increased from 288 million in 1981 to 516 million in 2001.

According to the World Bank, 1.1 billion people are extremely poor... Africa has the largest proportion, namely almost half its population (Ukpere and Slabbert, 2007b). The situation in sub Saharan Africa is really acute. For example, up to 65% of Malawi’s 13.1 million people live on less than a dollar per day according to Malawian government statistics. The United Nation-Food and Agriculture Organisation (FAO) have repeatedly warned of catastrophic food shortages in many African countries. Currently the average per-capita calorie intake has now fallen below minimal nutritional standards. The FAO recently estimated that of Africa’s 750 million people, more than 270 million suffer from some form of malnutrition associated with inadequate food supplies (Prabhakar, 2010). The food and global crises is likely to fuel incidences of poverty and vulnerability in poor countries such as Ethiopia, Zambia, Malawi, Uganda, Botswana, Angola, Mozambique, Zimbabwe and Tanzania (Ngowi, 2010). The situation is worst in other parts of Africa such as Congo, Burundi, Comoros and...
Zimbabwe were people are suffering from a lot of problems. Despite the fact that the course of their poverty is also drought, famine, internal strife, wars, AIDS, globalisation is not indeed spreading the benefit of increased efficiency and openness that comes with it, more evenly and equitably to all nations (Prabhakar, 2010).

The current global economic crisis has affected African countries through declining private financial flows, trade, and remittances. By the end of 2009, African countries have lost more than $50 billion income. The human consequences include mounting unemployment, poverty and hunger, in addition to 50 million people trapped in absolute poverty (Africa Development Bank, 2009). For the very poor, reducing consumption from already very low levels, even for a short period, can have important long term consequences. The poorest households may have to reduce the quantity and quality of food, schooling, and basic services they consumed, leading to irreparable damage to the health and education of millions of children. Poor households forced to switch from more expensive to cheaper and less nutritional foodstuffs, or cut back on total caloric intake altogether, face weight loss and severe malnutrition (Prabhakar, 2010). In Uganda, which is one of the hallmarks of capitalist globalisation in African, poverty seems to have become a generational curse. “Obwaavu obumu buba buzaale, Abaana babuonyoka ku bazadde baabwe, ate nabo nebabugabira ku baana –Some poverty passes from one generation to another as if the offspring sucks it from the mother’s breast” (Group of Disabled Ugandan Women, quoted in The Chronic Poverty Report, 2005). In 2007, the number of poor household increased by 233,000 in Uganda (0.8% of the population), while in Ghana it rose by 230,000 in the same year (1% of the population) (Saleh, 2007). Nigeria the most populous African nation, according to the United Nation human development (UNDP) report (2005), out of 177 countries, ranked 158 in human development index, 165 in life expectancy at birth, 121 in combined primary, secondary and tertiary gross enrolment and 155 in GDP per capital. Nigeria has been rated in 2006, as 141 poorest nations on human development index. The nation is also considered as one of the 20th poorest countries in the world with 70% of the population classified as poor and 54.4% living in absolute poverty (UNDP 2006 cited in Ugoh and Ukpere, 2009). According to Suberu (2007) “Nigeria has earned around US$500 billion in oil revenue since the 1970s, yet remains mired in poverty, unemployment, a bourgeoing domestic debt, infrastructural squalor, abysmal health and education services, and attendant social frustration and unrest”. It is conspicuous that poverty has been a serious problem confronting the Nigerian nation since independence. Nigeria instead of advancing has degenerated into one of the poorest countries of the world. In fact, more and more people are becoming poorer every day. In 1960, the poverty level in the country was about 15% and by 1980 it reached 28.1%. In 1985, the poverty level was 46.3 but dropped to 42.7% in 1992. Perhaps, the drop may not be unconnected to the coming elections slated to hold in 1993.
In the 1999 and 2000 UN Development Report, Nigeria disclosed that 201 out of 1000 Nigerian children stand on the world’s marginal poverty index out of 172 countries (Ekpu, 2004; Ikanna, 2009). The risk of dying before the age of 5. Women, of course, are not spared of the unsettling development as 800 out of 100,000 of their folks are estimated to lose their life during child birth. The rising incidence of prostitution is an index of the escalating poverty level in the country. Also, compounding the shock is that an estimated 4.4 million Nigerians are living with HIV/AIDS (Daily Independent, 2008, cited in Ugoh and Ukpere, 2009). Africa has more than 80% of its labour force is unemployed, income inequality and poverty in Africa. Therefore, would it then be incongruous to assert that there is a positive relationship between current globalisation, unemployment, inequality and poverty in Africa? (Ukpere and Slabbert, 2009).

Several decades after the end of colonialism, most parts of Africa is still fighting with problems such as high poverty rate, lack of basic infrastructural facilities in all sectors of the economy, unemployment, high mortality rate, political instability and insecurity of live and property (Ikanna, 2009). Africa is not a poor continent but its people are poor. Africa has huge and unexploited wealth consisting of natural and mineral resources, wildlife, fish, river basin, lakes and huge arable land. These are not being exploited or utilised by Africans (Ngozo, 2010). Although, corruption which drains the continent of some $140 billion or about 25% of the continent’s official GDP and bad leadership have their shares of blame for African poverty (Ribadu, 2009, cited in Ikenna, 2009); however, global capitalism has by all means accelerated and institutionalised poverty in Africa (Klein, 2003). Charles Darwin (cited in Kowalski, 2000) once forewarned: “If the misery of our poor be caused not by the laws of nature, but by our institutions, great is our sin”. From a similar viewpoint, Dare (2001) has observed: “Many transnational corporations (TNCs) have acted as predators in Africa, gobbling up national resources, distorting national economic policy, exploiting and changing labour relations, committing environmental despoliation, violating sovereignties and manipulating governments and the media. In order to ensure uninterrupted access to resources, TNCs have also supported repressive African leaders, warlords and guerrilla fighters, thus serving as catalyst for lethal conflict and impeding prospects for development and growth”. He further posited: “…Many African societies are characterised by minimal opportunities for education and self-development, collapsed infrastructure and a debilitating debt burden. These conditions have made the continent even more susceptible to international financial control. Typically TNCs seek out societies with low production costs, poor working conditions, and abundant and easily exploitable resources, where profit can be maximised and repatriated without legal constraints. The icing, of course, is a political leadership that is weak, corrupt, and ready to cut the deals. TNCs make huge investments in countries that meet those criteria, and many African countries fit the bill”. The aforementioned view harmonises with previous and current opinions by some authorities that development in African is only possible on the basis of a radical break with global capitalism, which for many years, has been the principal agency of the under-development and third worldization of Africa (Rodney, 1972; Olukosa; 2004; Ukpere, 2007; Asobie, 2008). There is also a strong perception that globalisation is a stumbling block to African development. In any case, these are divergent opinions. However, one cannot gainsay the fact that current logics of globalisation have escalated the rate unemployment, inequality and poverty in Africa.

Conclusion

In conclusion, within the domain of unemployment, inequality and poverty in the era of globalisation, renewed problems of global competition, job termination, wage reductions, labour immobility and technological displacement of workers, have accelerated the rate of global unemployment, the corollary of which is endemic inequality and poverty in Africa. Therefore, would it then be incongruous to assert that there is a positive relationship between current globalisation, unemployment, inequality and poverty? (Ukpere and Slabbert, 2009).

Additionally, the trickle down economy pattern has consistently failed Africa. What is good for Wall Street may not necessarily be good for Africa. Viewed from any angle, the African continent seems to have been marginalised and left behind by globalisation. Capitalist globalisation undeniable, created wealth but also intensified inequality and poverty, particularly in Africa. High growth rate of Gross Domestic Product (GDP) may be a good statistics to parade at international conferences and seminars by senior government officers in pin-striped suits or flowing agbadas. However, for the hungry jobless youths in the streets, these are meaning-less numbers since they do not translate into job creation or cure their hunger. Therefore, it is high time that African nations look beyond the official statistics of the so called high GDP growth rate and get down to the hard business of creating real jobs that take out the hungry, angry and jobless youths from the streets into workplaces. African countries need to develop comprehensive strategies to create jobs locally. Africa has more than 80% of its labour force engaged in survivalist small and medium sized enterprises (SMEs). These enterprises could be nurtured through government and NGO supports to become vibrant growing businesses that could create additional job for the continent. This measure will help to curb the level of unemployment, income inequality and poverty in African societies.
In addition, there is a need for a global agreement to cancel the debts of poor nations. The efforts of jubilee 2000 towards this direction is quite commendable, however, additional efforts should be made to ensure that all debts owed by poor nations to the advanced nations, are stroked off once and for all. Debt payment and servicing has kept most of these Third World nations, particularly Africa, backward from venturing into developmental projects that could enhance the living standards of their people. More than that, debt payment and servicing have disenabled most African nations’ governments from providing social services, including decent jobs for their people. In fact, it should be remembered that most of these so-called debts arose from the advanced countries’ irresponsible lending to Third World dictators who have used this money for self-aggrandisement, and the arduous debts inherited from the colonial masters.

Therefore, it is unreasonable that the poor people in these countries should face the brunt of these irresponsible lending and mounting debts that refuses to finish or stop. Thus, it is high time that the world is free and cleansed from debt and debt crises. Indeed, if globalisation means a new economic world order, it would then be reasonable that everyone or nations should be freed to start anew. This would minimise the already uneven-ness in globalisation. Furthermore, not only should debt be cancelled, but the developed countries should assist the developing countries with developmental aids without pretense. This would boost investment and employment in the developing countries, making it difficult for the TNCs to hover around poor nations looking for the next cheap shore to exploit. In fact, it is high time to realise that most of the jobs created by the TNCs in the poor nations, are merely artificial jobs that could evaporate at any moment. Therefore, the best job should be those that are created by the people of Africa, of the people of Africa and for the people of Africa. However, these dreams could only be realised if the debt of African countries are cancelled, in addition to genuine developmental assistance.

More than that, there should be a global commitment to alleviate and eradicate poverty, particularly in Africa. Jeffrey Sachs, in his book, *The End of Poverty* (2005), has already reminded the world that it is possible to eradicate poverty. Therefore, every hand should be on deck to ensure that this vision is realized. Poverty cannot be eradicated in Africa, if millions of its denizens are without a decent job. Poverty cannot be eradicated if a majority of the workers in Africa earn less than the $1 per day poverty line. In that case, the solution to alleviate poverty lies in the creation of decent jobs, in addition to good remuneration. Hence, instead of depleting the wages of workers as have been witnessed within the global economy, there should be conscientious efforts to improve the amounts that are paid to workers for their inputs in production. This would boost consumption and further investments. More than that, there is a great need to supply the poorest nations in Sub-Saharan Africa, with high variety yield seeds, fertilizers and machineries to cultivate enough food for their hungry population because a hungry person is a listless and angry person, who does not have interest in growth and development, except that their immediate problem (hunger) is solved. In fact, wars in Chad, Ivory Coast, Ethiopia, Eritrea, Somalia and Sudan, and of course, the current protest in Tunisia, Egypt, Libya, Morocco, to name a few, could probably be attributed to hunger. Thus, hunger and poverty are positively correlated. Poverty alleviation should include sending of more children to school, and empowering small scale businesses in the rural areas. This will reduce the number of workers rushing to the cities to create the worst nightmare of city slums, in addition to reducing the number of Africans who perish while trying cross into the Spanish enclave of Ceuta and Melilla to penetrate into fortress Europe.

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