

# **The Impact of Globalization on Sustainable Management of Natural Resources in African Economies**

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## **I. Introduction: Past and Present Impact of Globalization on African's Natural Resources**

In this paper, we are not going to have a definitional discussion *per se* of what *globalization* is all about. So much has been done toward definitional discussion. Good coverage on the definitional aspects of *globalization* can be reviewed, for example, from the works of Kiely (in Kiely and Marfleet 1998) and Wolf (in Critical Review, Vol. 14, No. 1; 2001). My focus here is at a brief note on misconception or misunderstanding about the process of *globalization*, and then, at its impact on the sustainable management of natural resources in Africa.

*Globalization* is believed to be a new concept or philosophy that begun in the 1980s for a new world socio-economic, cultural and political order. No, that is a misconception. *Globalization* is not a new concept or philosophy. It has been with us as early as the 13-14<sup>th</sup> centuries, since the mercantilism period; where journeys to the Far East for spices were common. Therefore, *globalization* is an on-going process. It changes its nature over time. It transforms the world order and at the same time its course is affected and shaped by world events. Like any other process, certain conditions have to be available for it to take place. In this sense, it means that what we are experiencing is a process that we must best describe as “contemporary or modern globalization”. It is different from all the preceding forms of globalization only in nature. As a concept or a philosophy and in principles, it remains to be much the same as the preceding forms. However, we cannot deny the point put across by Wolf, Jr (in Critical Review, Vol. 14, No. 1: 8) that *some aspects of globalization are genuinely new. These include developments in information technology, the doubling of computer chip capacity every 18 months (Moore's Law), the connectivity of the Internet, e-mail, e-commerce, transborder mergers and acquisitions, and the scale of direct foreign investment.*

This is true about “contemporary globalization”, but my point here is that even this does not qualify “contemporary globalization” to be a new concept or philosophy as is often emphasized. All these are aspects or conditions necessary to facilitate the progress of its contemporary nature. Even Wolf acknowledges this by emphasizing that *nevertheless, there is a tendency to exaggerate the novelty as well as the magnitude of globalization as a result of situational myopia, media hype, organized protest demonstrations, and simple forgetfulness of history. ....in “globalization”, we are experiencing something that, for all its distinctive features, has many precedents.*

And that *one reason this old-fashioned process continues – in fits and starts – is that it is not a zero-sum game* (Ibid: 8-9). Thus, “globalization” as a process will always be part of our lives; changing the socio-economic, political and cultural nature of our lives but will hardly bring about equality because it is not a zero-sum concept. It is within this sense that is important to understand the impact of contemporary globalization on important

aspects of African economies, such as sustainable use and management of natural resources.

Looking back into history, Africa has been in periods of continual resource destruction and extraction by its world trading partners for most of its history from pre-colonial era through to this present postcolonial era. Before the colonial era, destruction and extraction of Africa's natural resources took place through the slave trade, mercantilism and the opening up of lands yet unknown to the outside world. This is the way the "first or original globalization" came to Africa. It was an exploitative process. For 200 years, from 1650 to 1850 the "first globalization", the slave trade, disrupted Africa's demographic, social, institutional, and moral development (Curto 1992). The slave trade destroyed the sustainable development and management of Africa's most important natural resource, humans, as continued slave raids made it impossible to reproduce the population of the captured slaves, while more geographical areas were brought under this globalization process to capture new slaves from Africa's traditional systems. It is because of this form of globalization process that Africa was the only continent with a population that did not grow during that period. But the moral context part of it was that such a process of extracting human resources was not to continue unchallenged. And then, "first globalization" had to take a different nature if more natural resources were to be extracted and transferred from Africa.

Colonialism, a legal way of extracting and transferring natural resources from Africa became the "second globalization" process. Binswanger, et al (1993) emphasize that the coming of colonialism changed policies for the extraction of natural resources from Africa's rural areas. Many schemes, mechanisms and conditions were put in place to ensure the success of the "second globalization" process. In many African countries land for peasant agriculture was systematically reduced. In southern Africa, in countries like Zimbabwe and South Africa, fertile land was taken from peasant farmers and they were confined to less fertile and rocky lands. In such lands, the peasants were not able to develop their agricultural skills as such lands were not able to produce any surpluses that could be used to invest in education and skills necessary for more income generation which is important in dealing with poverty eradication.

Although such unsustainable and disastrous mechanisms were also applied in other continents, they persisted much longer and left policy and institutional remnants still visible today in Africa (World Bank 2000). It was during this globalization process that Africa was confined into a producer and exporter of agricultural and natural resource commodities and a perpetual consumer or market for manufactured household and capital goods.

The post-colonial era or "third globalization" has transformed into "contemporary globalization" process that we are experiencing. It has not saved Africa's natural resources, nor has it given Africa the chance to manage her natural resources well or to improve their productivity for sustainable development. Its impact on the continent's natural resources has been very dramatic. With contemporary globalization process taking place in the environment of financial capitalism which is driven by speculative

financial behavior, what has become important from Africa's natural resources is high speculative value of natural resources such as diamonds, oil, minerals, and endangered animal, plant and fish species of the continent's biodiversity.

The commonest features of all forms of globalization are reduction in time and compression in distance between any two points on our planet. These are great advantages we all enjoy from the globalization process. Beneficiaries and victims or gains and losses from globalization occur within both the rich and poor countries; and the process has been associated with increased income inequality (Wolf, in Critical Review, Vol. 14, No. 1; 2001). However, with proper and good policies, such a process must bring increased wealth and improved standard of living to all peoples of this planet. The problem is with politics manipulating economics. Scarcity adds to value and must create more wealth for those who do possess something that is in scarce existence or supply. However, globalization is being used to change and manipulate scarcity and scarcity values of many different commodities around the world. Large amounts of resources, in terms of funds and skills, are needed to manage globalization well. Therefore, many poor African economies are more of victims than being beneficiaries of globalization if compared with the developed North because of perpetual poverty and failure to benefit from their important natural resources. And, in this sense, contemporary globalization attributes to the increased income and wealth gap between the developed countries and Africa. The effects of all forms of globalization on Africa have been more of a reshuffle and transfer of natural resources, their scarce value and wealth (savings) to developed countries, and an inflow of manufactured goods and services from them. The truth of this is seen in the fact that multinational enterprises are increasing the pace of contemporary globalization by spreading out. However, their activities in many African countries remain to be in resource-based industries. The question we may ask at this point is why they do not invest in growth industries such as technology and capital goods manufacturing.

## **II. Resources: Definitions and Concepts**

In classical terms, Zimmermann (1951), Firey (1960), O'Riordan (1971) and in more recent terms, Mitchell (1979, 1989) and Omara-Ojungu (1992) showed in their conceptual definitions that resources are not static but expand and contract in response to human demands and action; and that they are not only tangible objects but they also reflect a functional relationship between people's wants, their capabilities and their attitudes towards the value given to the environment. Mitchell (1989) further argues that an object is first a neutral staff that becomes a resource when human value is attached to it; and that availability for human use, not merely physical presence, is the chief criterion of resources. These statements express the economic, political, social, technological, subjective, relational, cultural and functional nature of the resources around us. This means that the types of natural resources a nation possess express potential value and relationship that are due to such a nation. Full realization of these may not be achieved at any particular time due to difference in societal needs, value systems, aspirations and attitudes, capabilities and technology of a resource-possessing nation and the rest of the world. Some years back, African countries were regarded to be on the lower scale of

these elements; hence natural resources were extracted from them without proper compensation and procedures to ensure steady and sustainable development of the economies. These are not justified elements for exploitative relationships of low compensation on Africa's natural resources.

One of the biggest relational problems is that the future value of natural resources is not taken into account when transactions are made. If many African countries are not able to give enough value-added to their natural resources today because of their technological constraints, it does not necessarily mean that tomorrow they will not be in a position to give enough value-added. The same resources may be used on the continent tomorrow in a similar way that they are being used elsewhere today. Therefore, this is a very important point to consider for the trading value that African natural resources are given today; that they carry a greater "tomorrow" value. Thus, the trade-off of "today and not tomorrow" must not be viewed in terms of the absence of technological capacity.

### **III. Contemporary Globalization and the African Biodiversity**

Africa is the continent with the widest biodiversity (biological diversity) and ecodiversity, but the rate at which these have been being lost from human impact and the global economic order is very alarming. This is a dangerous position for the African continent because such a loss of biological resources threatens the continent's physical existence, food supplies, sources of medicines, energy and raw materials for industrial processes. In 1995, the United Nations Environmental Program (UNEP) identified demographics, economics, institutions and technology as the causes of biodiversity loss.

Biggs explains that *loss, fragmentation, degradation of natural habitats were said to be the result of increasing demand for, exploitation of, biological resources; the conversion of natural habitats to other uses and growth in urbanization and tourism; international trade* (in Kiely and Marfleet 1998: 116). Here, both UNEP and Biggs have very strong points of what is happening in many African countries and elsewhere in the developing world. However, they fail to point out or emphasize that such events in Africa and elsewhere in the poor world are shaped by the demands of international trade and the nature of contemporary globalization that perpetuates the old world economic order where poor nations have to trade heavily in their natural resources and biodiversities for a survival that is not sustainable. This is true because as contemporary globalization gains momentum, we are realizing that we are drifting further away from the three key objectives highlighted in 1992 at Rio in Brazil by the Convention on Biological Diversity (CBD). These three key objectives are: the conservation of biological diversity, the sustainable use of this diversity and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources. It is true that there have been strong strides in many parts of Africa and elsewhere toward achieving the first objective because many nations have a lot of autonomy in dealing with it. However, the last one proved to be theoretical, and it is so difficult to have sustainable management of natural resources if the communities concerned cannot get an equitable share of the benefits. There is more need to turn around the nature of contemporary globalization to achieve this last objective

of the CBD to allow communities in Africa and elsewhere to achieve sustainable management of their natural resources for long-term development.

Let us look at issues involved from a different perspective. The World Trade Organization (WTO) is moving toward patenting some components of the biodiversity. Plants are living-things that patents and ownership rights did not affect their existence in the past.

Hence, the setting up of patent laws and ownership rights would allow multinational corporations (MNCs) and other institutions like universities with well-funded laboratories to privately own some of the species of our biodiversity that are common property at the present. MNCs are, as before, one of the strongest forces behind contemporary globalization. Biggs (in Kiely and Marfleet 1998: 117) emphasized that *significant components of biodiversity could be privatized by TNCs if the World Trade Organization succumbs to pressure to extend and intensify patents and Trade Related Intellectual Property Rights (TRIPs)*. It is possible that well-funded research institutions in developed economies may be able to modify some of the animal and plant species they get from other parts of the world, including Africa; and such products would, by international law, exclusively become theirs. Such a process is made possible through the contemporary globalization process. For sustainable contribution to the development of the economies from which plant species are being extracted for modern uses such as medicine, property and ownership rights in biodiversity must have been established first before trade and transfer of any species from their original biodiversities. This would allow economies, especially those in Africa, from where a lot of biodiversity material is being extracted to other parts of the world to control and gain from the global movement of their natural resources (plants and animals). As gifts of nature, they have a scarcity value.

The respective economies must get enough economic compensation for the loss of this scarcity value from their natural resources. Seeds and plants can be taken from Africa to other parts of the world and modified into slightly different products. Farmers and other users from countries where these plants originated would have to pay for licenses to use them. The problem here is that these countries may not have been compensated economically and fully for their natural resources in the first place.

In the societies of southern Africa for example, history and traditions have not yet allowed the patents and private ownership of wild biodiversity. Patents and private ownership of biodiversity would mean that many of the poor countries of Africa would have to spend so much of their scarce financial resources to acquire modified or hybrid biological materials and the biotechnologies necessary to manage them. At the same time, to achieve the objectives of patents and ownership rights of the biodiversity, it is necessary to ensure market liberalization of the biodiversity. One of the biggest dangers of liberalization and contemporary globalization on plants and seeds in poor African economies is that they are affecting food security. And, the point of departure is that African countries respect international concern on the environment and biodiversity in terms of their development interests whilst other countries, especially the developed world, respect the same concerns in terms of their interests in conservation, without coming clear on the profit-maximizing and ownership concerns of their MNCs. We must realize that pure economic liberalization; profit-maximization and ownership issues are of

fewer problems in developed economies, but experience in Africa shows that they would not, at least into the near future, give in to sustainable economic development. The debate on liberalization and profit-maximization and ownership rights on natural resources must be understood from the framework that many countries elsewhere cannot compete with many African countries and others in the tropics in natural resources and biodiversity components. Yet, it will be the advantage of those countries strong in market forces than many African countries that would have strong accessibility to liberalized markets of natural products. Therefore, contemporary globalization impacts negatively on the sustainable management of natural resources in Africa because of its emphasis in market forces and liberalization for economies whose majority of their populations exist outside the *market* due to excessive poverty.

#### **IV. The Impact of Contemporary Globalization on Africa's Natural Resources: The Case of Tourism**

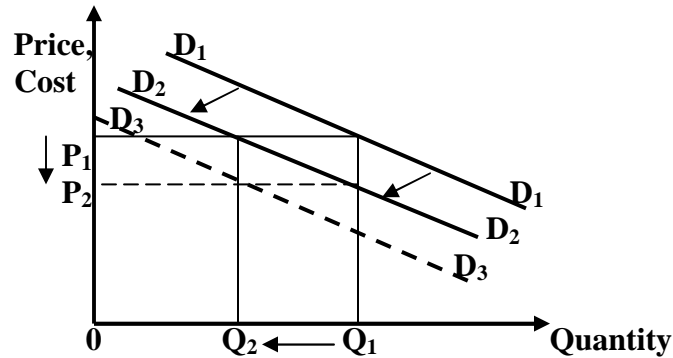
There are many different ways in which contemporary globalization is affecting travel costs and consumer surplus or consumer welfare for many travelers, especially for tourists. This has both negative and positive effects on tourism and the value of natural resources in many African economies, where these sectors are very responsive to exogenous factors of political, economic, cultural and climatic nature. Tourism in Africa is very different from tourism in other parts of the world in that it is natural resources-based. It depends directly on the natural resources available in a particular country or at a particular place.

#### **The Negative Impact of Contemporary Globalization on Tourism and the Value of Natural Resources.**

##### **Increasing the Substitution Effect**

Tourism products are *location commodities* whose distance from the consumer and knowledge about their existence add to their scarcity value. Then, by making information about places more available and compressing travel time, contemporary globalization is reducing the scarcity value of tourism products in African economies, where it is hard to improve the value of these products through extended investment. It is creating a situation similar to one where there are increasing substitutes in the tourism industry, reducing the market value of the tourism products available. As shown in the diagram below, it means that price has to go down if higher levels of demand are to be maintained. If price remains relatively inflexible downward, demand coils back as many tourists take up substitute locations in other parts of the world and a lot of revenue is lost. In both cases, and even if price is flexible downward, it is inevitable to lose revenue. Again and unlike before, incomes of tourists is no longer a much governing factor as demand still remains low after prices have fallen drastically. The fall in price must enhance the income effect of a price decrease, but the observations in southern Africa (outside South Africa) do not support this. We can then conclude here that if tourism of

southern Africa is regarded as a normal good (as is usually the case) then the political effect has been greater than the substitution and income effects of a price decrease. Many southern African economies are in a dilemma in terms of policy formulation that would help solve and change this condition. Countries like Zimbabwe have realized that tourism can be a very politico-sensitive industry that becomes extremely difficult to use for sustainable economic growth, as the number of tourists dries up despite expensive government campaign and increased consumer surplus in this sector. Tourists incur no substitution cost at all as more information on substitute places becomes more readily available.



**Fig. 1: Increased Negative Substitution Effect in Tourism**

The diagram and analysis above conform to the fact that increasing easy accessibility to different places resulting from the process of contemporary globalization is creating substitutes for tourism commodities at any particular place, especially in poor countries.

Today, many European and American tourists find their way easily to the Far East than before and this has resulted in a shift in demand for tourism products in favor of that region. The impact on once-important provider countries of southern Africa is reduced value and demand for their tourism products. This results in inevitable loss in foreign exchange revenue. As shown in Fig.1 above, the loss comes in two important ways. First, reduced demand shifts the demand curve from  $D_1D_1$  to  $D_2D_2$  and quantity demanded falls to  $Q_2$  from  $Q_1$ . With the value remaining the same, the result is revenue loss equal to the area  $(Q_1 - Q_2) \cdot P_1$ . Second, the fall in value results in price moving down from  $P_1$  to  $P_2$ , causing revenue loss equal to  $(P_1 - P_2) \cdot Q_1$ . This means that in both cases revenue is lost. A third unique case of revenue loss results when both value (price) and demand fall. This is the situation shown by  $D_3D_3$ , where both price and quantity demanded fall to  $P_2$  and  $D_2$ , simultaneously. This results in even a greater loss in revenue, given by the area  $(Q_1 - Q_2) \cdot P_1$  plus  $(P_1 - P_2) \cdot Q_2$ . This is the scenario that is taking place in Zimbabwe. The factors behind this result have been much of a political nature surrounding the land issue. Hence, the political effect on Zimbabwe's tourism industry has been strong enough to outweigh the substitution and income effects (the economic effect) of a price decrease. These problems make it very difficult to develop sustainable management and use policies for natural resources in these sectors for sustainable socio-economic development. The question here is what can be done to avoid at least one of these cases?

Another effect is a result of the need to do away with locational presence. When border restrictions and visa requirements are made simple, locational presence may no longer be so necessary for tourists to consume certain tourism products in certain parts of the world. A good example here is the case of Victoria Falls. Locational substitution has been taking place between Zimbabwe and South Africa. With the political situation in Zimbabwe being not very favorable in the context of the North, many tourists from the North have been deliberately avoid visiting Zimbabwe. Nevertheless, they have been easily ferried within the same day from Cape Town, Pretoria or Johannesburg to Victoria Falls and back.

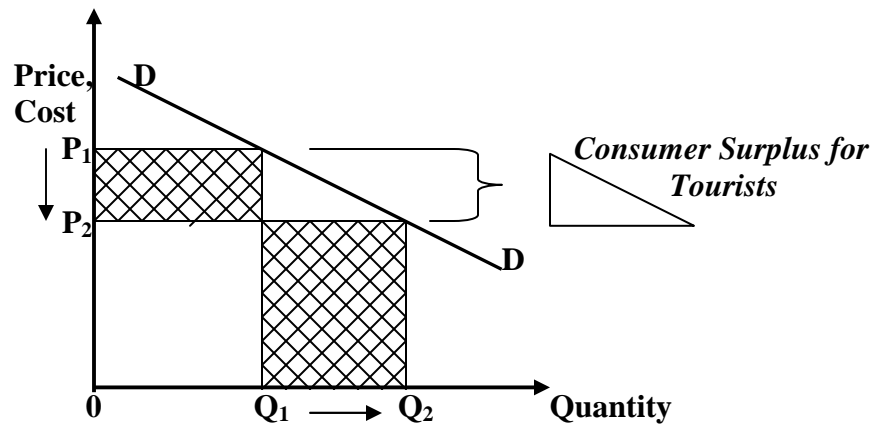
The impact of this on tourism in Zimbabwe has been very significant. Tourists have continued to enjoy the same products with increased consumer surplus or value-for-money without the need for their physical presence in Zimbabwe, the country of consumption. In this case, it is the producer country that is affected by revenue loss. New questions emerge from these developments. Shall we allow such practices to go on between neighboring countries? Are such practices going to promote sustainable management of natural resources in countries concerned? Can we allow countries that are devoting huge amounts of resources into improving the management of their natural resources not to benefit fully from the exploitation and use of these resources? Are such practices not going to increase tension between friendly countries one day? Can we say that contemporary globalization is promoting a harmonious global village that ensures equitable distribution of the benefits of our efforts? Which policies must be put in place to ensure fair and equal gain between different participants from the process of contemporary globalization?

A substitution effect in the tourism industry of an economy can also be easily felt in times of international isolation and bad publicity. This has been the case with Zimbabwe, and has affected not only Zimbabwe, but also neighboring countries like South Africa, Botswana, Zambia and Mozambique. Political issues related to the land question in Zimbabwe were easily turned into economic issues through the quick flow of information that allowed different political groups with different political agendas to promote bad publicity about the economic policies of Zimbabwe. The result of this has been a drastic reduction in foreign revenue earned from tourism and the use of other natural resources due to loss of demand and value of tourism products, similar to the case in Fig.1 above. Such contemporary globalization problems are happening in a different form in other African countries. The effects have been the same: international isolation, drastic downturn of the tourism industry, drastic downturn in overall economic performance and widespread poverty and diseases like HIV and AIDS. Whilst certain international standards are expected from all countries, measures must be put in place to ensure that the contemporary globalization process promotes global development and success, and that weaker economies are not left at a disadvantage that would enhance perpetual poverty and underdevelopment. The old globalization processes of the past have been responsible for perpetual underdevelopment and excessive poverty in many parts of Africa and other Third World regions.

## *The Positive Influence of Contemporary Globalization on Tourism and the Value of Natural Resources*

### Inducing the Income and Revenue Effects

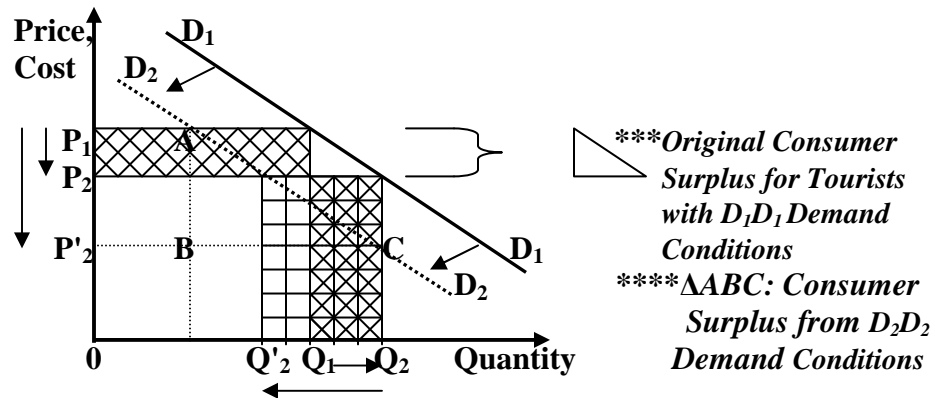
The good news is that not all that is associated with the contemporary globalization process in the tourism industry of southern African economies is gloomy. The increasing accessibility to places and information is reducing the “search” costs and travel time. The result of this is a reduction in the price and costs of tourism products to the tourist. For some countries, the result has been an increase in demand and revenue. Fig. 2 below explains how this happens.



**Fig. 2: Induced Income and Revenue Effects in the Tourism Industry**

The increase in quantity demanded of tourism products ( $Q_2 - Q_1$ ) is a result of increased consumer surplus (the un-shaded triangle in Fig. 2) for tourists obtained from the induced income effect due to reduced costs and prices ( $P_1 - P_2$ ) of products. The reduced expenditure and increasing purchasing power increase the utility of tourists per consumption. On the other hand, increasing accessibility to places and information increases demand elasticity of tourism products, making them more price-sensitive. This forces producers to be more efficient in providing the service and to be more innovative in order to bring to the market products that may be unique. Now, if tourism products are made to be more elastic, then, depending on the price level, a decrease in price is likely to bring more revenue and increased quantity demanded than a price rise. Fig. 2 shows that  $(Q_2 - Q_1) * P_2 > (P_1 - P_2) * Q_1$ . This has an overall benefit for African economies, especially in southern Africa where tourism is a very important foreign currency earner. However, policies must be designed to reduce highly sensitive price movements that are associated with large amounts of consumer surplus that may result in loss of revenue. Nevertheless, the situation in Zimbabwe shows that much may depend on the *invisible foot* and the *invisible handshake* rather than the *invisible hand*; that is on other exogenous factors such as political, international relations, health and environmental (climatic) conditions.

The next diagram explains a situation where exogenous factors play against increased elasticity and consumer surplus to bring about reduced revenues. In Fig.3, consumer surplus triangle ABC is many times bigger than the original consumer surplus triangle formed from  $D_1D_1$ . The much bigger consumer surplus brings about much reduced tourism revenue. This is a result of simultaneous fall in the value and preference given to the tourism products and the demand for the products. Given the original demand conditions  $D_1D_1$ , the fall in the value of the products on offer will bring price to  $P_2$  from  $P_1$ , and increases quantity to  $Q_2$  from  $Q_1$ . The result is increased tourism revenue. However, because of a simultaneous fall in price and demand, this is not the case. At the new price,  $P_2$ , quantity demanded falls to  $Q'_2$  instead of increasing to  $Q_2$ . The result here is a greater fall in tourism revenue, equal to  $(P_1 - P_2)*Q_1$  plus  $(Q_2 - Q'_2)*P_2$



**Fig. 3: The Effects of Enhancing Reduced Demand with Reduced Price in Tourism**

The above is the situation countries like Zimbabwe are experiencing. It is a result of a simultaneous fall in the demand for and value of their tourism products due to the reasons cited above, enhanced by a fall in the scarcity value. In the case of Zimbabwe, contemporary globalization is effecting a fall in the scarcity value on one hand, and on the, bad international publicity has given rise to poor international *invisible handshake and invisible foot*, resulting in an international campaign against this country. The outcome of this is negatively affecting its tourism industry. Fig. 3 also shows that to maintain the increased quantity of  $Q_2$  at the new demand conditions of  $D_2D_2$ , price has to fall as much as  $P'_2$ . The result is an extended fall in tourism revenue. But since the revenue gained from this,  $(Q_2 - Q_1)*P'_2$ , is much smaller than the total loss in revenue,  $(P_1 - P_2)*Q_1$  plus  $(Q_2 - Q_1)*(P_2 - P'_2)$ , it means that a price level of  $P_2$  and a demand level of  $Q'_2$  are maintained. This situation is a kind of “double loss” that has to be avoided for sustainable management of the tourism industry and natural resources for the countries concerned.

**V. The Challenges and Lessons of Contemporary Globalization on Africa’s Natural Resources)**

1. Contemporary globalization and liberalization are threatening food security in some African countries as the export of food and animals or birds increase.
2. Contemporary globalization is threatening the safe trade of high value minerals like diamonds, for example in Angola, the DRC and Sierra Leone. The wars around these important natural resources are reversing economic development for

- these countries and make it extremely difficult to manage the resources. And because of this, it also means that the people who live in areas where these resources are found are further impoverished, yet their standard of living is supposed to be raised from the exploitation of these resources. Their well-being is more threatened by such activities as sponsored civil wars which are used to cover for the controlled and illegal trade. For many of these places, sponsored civil wars are the ways in which natural resources are extracted and transferred from them to many other countries of the world without proper compensation. The result of all this is the destruction of the lives of the majority of the people who live in natural resources rich areas.
3. The previous phases of globalization, the slave trade and colonialism, left legacies, which are still affecting many African countries today. The slave trade destroyed Africa on two fronts:
    - a) it deprived Africa of its capable human resources. It was the young, able and healthy people who were taken into slavery in Europe and America, leaving the young and old – just like AIDS is doing in many African countries today; the impact being the same,
    - b) to win from slave trade, African tribal leaders had to wage wars on each other because slaves were captives of those wars. The result of wars was instability, destruction, loss of additional lives and reduce pace of change. The impact being the same to the results of wars for resources today.
  4. Cheap agricultural imports (especially cereals) are destroying the viability of cereal agriculture, threatening the sustainability of long-run food security in these economies.
  5. Agriculture is made sustainable and viable by strong demand of its produce. Contemporary globalization has allowed the filtering of cheap products like textiles, for example, into the economies of southern Africa (especially Zimbabwe and Zambia). The decrease in demand for local textile products has reduced the demand for cotton grown in these economies as the local textile industry is scaling downward. With demand for cotton reduced, cotton growing is no longer so viable. If contemporary globalization is to proceed with a benefit to poor countries, governments must be allowed to have a chance to keep their local producers to withstand this import pressure resulting from increased contemporary globalization. More imports of those goods, which are not produced domestically, can be allowed. Such policies will allow this economies to develop and grow, ensuring more strong demand for a wider range of products from abroad in future. This will ensure sustained global development.

## **VI. Challenging Examples:**

### Religion and Medicine

People feel happy to have quinine, for example, from a chemist but if one goes to natural medical clinic and given the quinine shrub, will not be satisfied. This is the experience in Zimbabwe and many other African countries. Why is this the case? Well, colonialism

used to use religion, especially Christianity to give a bad picture on traditional medicine and destroyed the market of natural medicine in many African societies.

### African Communities in Natural Resource-Rich Regions

There are quite a number of communities in Africa whose regions are some of the richest in the world in certain natural resources and yet their peoples are the poorest in the world. Examples of such communities are found in resource-rich countries like Nigeria, Angola, Sierra Leone, Liberia, and the DRC. Societies can be very vulnerable and their own governments may even fail to protect them as they bow down to international pressure to open up for contemporary globalization.

The Ogoni community in Nigeria is a very good example of a community that has been fighting hard with the international oil companies, losing their land and yet its own government couldn't help it much. Societies in Angola, Liberia, Ethiopia, Eritrea, Sudan, Sierra Leone and the DRC have suffered for a very long time from unending "civil wars". Most of these wars are a result of the contemporary globalization process, and as before, it is through them that some of the resources are being extracted almost free from these areas and nothing gets back to the local inhabitants. The communities who live in these areas have seen their lives deteriorating without any form of development. One thing about wars is that they do not promote development, but they destroy it. It is clear then why some of the richest areas of Africa have remained the poorest areas of the world. More wars mean more destruction to hard-earned development. And more globalization means more direct and indirect control of these rich areas by many interested powers around the world. It is not bad that contemporary globalization is bringing more areas of the world into easy access.

However, policies have to be put in place to safeguard the rightful existence of all areas of the world on an equal basis in regard to the right to own and control their own natural resources and the benefits of their exploitation without destructive interference by others countries or companies that have their own interests that are not to the benefit of those in areas that they are interested in.

### **VII. Meeting the Challenges of the Impact of Contemporary Globalization on the Sustainable Management of Natural Resources in Africa**

There has to be good political will from both African governments and the international community to put in place policies that can help African economies to manage their habitats and biodiversities well for sustained growth and development. This will bring global benefits. If contemporary globalization process is not going to be used to bring rural habitats and biodiversities of Africa into the mainstream of the development process, then it is hard to imagine how African economies can achieve sustainable development and improve the standard of living of their populations which are drifting further into deeper poverty. It is necessary to come up with a holistic approach that involves political, economic, social, cultural, institutional and technological efforts geared toward challenges of contemporary globalization in respect to the management of natural resources in Africa. As back as 1987, the World Commission on Environment and Development (WCED: 8) emphasized that *the exploitation of resources, the direction of*

*investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs ..... include meeting the essential needs of the world's poor through sustained growth ...* Unfortunately, evidence shows that since then, the increased exploitation of resources, massive investments in technological development and institutional change have taken place with limited concern toward the essential needs of the world's poor, majority of which are in Africa.

There are many ways in which African economies can be helped to manage their biodiversities better and achieve sustainable development. Adding to those suggested by Ahmed and Mlay (1998) and Rasheed (1998), such measures and solutions include: 1) preserving plants and habitats, while investing in their use for medical purposes; a benefit that must accrue not only to African economies, but to the whole world community, 2) supporting projects which provide alternatives to logging (a way of protecting forests and endangered animal species in many African ecosystems), 3) investing the revenue from natural resource and tourism in environmental regeneration, 4) investing large amounts of development assistance in rural communities in income-generation projects and food security, 5) bringing an end to reform programs and beginning on long-term development programs that satisfy first internal needs and driven by home-grown policies, 6) enforcing new ways of trading natural resources from African economies which do not promote civil wars, civil strife and ethnic conflicts, but that bring about and promote conditions of peace, stability and security, 7) promoting development strategies that stop and reverse resource base degradation, 8) including contemporary globalization policies when setting the development framework at community level,

9) enforcing contemporary globalization policies that remove Africa's external debt crisis and pressure on countries to overexploit their resource base, whilst promoting diversified economic activities to ensure adequate revenue inflows to all African economies, 10) restructuring national efforts toward changing the structure of production in all African economies, 11) African economies must initiate and persuade the international community to cooperate with them in facilitating technology transfer and capacity building that would enhance sustainable development and management of their natural resources, 12) devoting the largest share of international and African efforts toward removing the widening marginalization of African economies through allowing the African continent to be represented in principal global economic summits such as the G8 club.

### **VIII. Conclusion**

It would not pay to deal with the socio-economic development crises that are associated with contemporary globalization without addressing globalization issues related to natural resources because they will always be part of our socio-economic, political and cultural existence. The 1992 United Nations Conference on Environment and Development (UNCED) declared that the environment (together with peacekeeping and economic development) is one of the three central pillars of world politics. We need policies that ensure a contemporary globalization process that allows the growth of wealth in all parts of the world. If we accept the importance of the declaration of UNCED

above, then it is necessary that all continents must be represented in all-important world economic summits such as those held by the G8 group of countries or those held by multilateral organizations like the World Bank and the IMF where important future global economic policies are debated and shaped. Is it not true that the world would not be the way it is today if it was not because of the contribution that Africa and many other less developed regions of the world have also made toward the development of the global community?

If the answer is yes, why then are such regions not represented in summits that churn policies for future development of the international community? African nations have to do a lot and their best to make sure that they work with the international community in designing contemporary globalization policies that would not jeopardize sustainable management and use of their natural resources for long-term development of their societies. Natural resources will ways determine our survival. Hence, as contemporary globalization continues, it is in the interests of African economies to make sure that policies, like those mentioned in this paper, are put in place to promote sustainable management and use of their natural resources for the benefit of their future generations.

We must realize that by enhancing the existing nature of many African countries of consuming industrial products through imports, contemporary globalization will not allow sustainable management of natural resources in Africa because many countries are likely to remain less industrialized. Less industrialization means low industrial demand for the use of natural resources on the continent.

African economies must realize that contemporary globalization is enhancing the ever-existed relationship whereby African economies supplied natural resources and agricultural products and consumed manufactured industrial products produced abroad. Therefore, contemporary globalization must proceed in a way that would allow African economies to carry proper reforms of their economic structures and production, and improve the allocation of their natural resources such as land for poverty eradication; resource development that ensures the extraction, processing, transformation, placing of value and meeting the developmental aspirations of Africa and the international community, and resource management that is dominated neither by free market forces nor quasi-political forums but by a combination of social, cultural, economic, ecological, technological and institutional aspects that ensure development and growth of national economies.

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