HAS GLOBALIZATION FAILED TO ALLEVIATE POVERTY IN SUB-SAHARAN AFRICA?

Dr Barbara L'Huillier
Associate Chair, Department of Accounting and Finance,
College of Business Administration,
Prince Mohammad Bin Fahd University,
Kingdom of Saudi Arabia

Abstract

This article studies the arguments surrounding globalization and the business model that it promotes and its effects on world poverty with a particular focus on Sub-Saharan Africa. Globalization, supported by modern technology, involves the elimination of trade barriers that had previously restricted transnational corporations and banking institutions access to Third World markets and resources. The processes of globalization are geared towards a global culture that promotes a change in traditional export/import patterns in favour of what the world market demands. However, it is these market forces and economic objectives that are driving the growing inequality within and between nations resulting in billions of people living in varying states of poverty. The people and institutions who adopt and promote this business approach do not play nice – as can be attested by the millions who are trapped in poverty in Sub-Saharan Africa and the rest of the world. This article argues that an equitable global market based on the globalization business model is an unattainable utopia.

Keywords: Globalisation, Poverty, Sub-Saharan Africa

HAS GLOBALIZATION FAILED TO ALLEVIATE POVERTY IN SUB-SAHARAN AFRICA?

Introduction

Global poverty statistics make for grim reading. Over 1 billion people, nearly 13% of the world's population, are estimated to be living on less than US$1.90 dollars a day (World Bank, 2016) At the same time 1% of the world's population owns half of the world's wealth (Bentley, 2015). The scale of the economic inequality is staggering and this is especially so in Sub-Saharan Africa. It was reported that Sub-Saharan Africa now accounts for half of the global poor (World Bank, 2015) - whereas in 1990 this region only accounted for 15% of the global poor (Banya, 2012; World Bank, 2016). In addition, it is estimated that every child born in Sub-Saharan Africa 'owes' over $330 in foreign interest debt as their respective countries spiral into ever increasing foreign debt exacerbating poverty levels (Dear, Dear and Jones, 2013). As noted by Ukpere and Slabbert (2007) '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 International Monetary Fund (IMF) states 'Globalization represents a political choice in favor of international economic integration'(International Monetary Fund, 2002). Research by Giddens (1999) and Kolodko (2003) support this view that globalization, as a business model, has a political dimension and, as such, has fueled a growing interest in global goverance and, paradoxically, global hegemony (Kennedy, Messner and Nuscheler, 2001; Wittmann, 2014).

While more people have access to education than ever before and life expectancy rates are rising around the world growing global economic inequalities aided by globalization are fueling political and social unrest. Globalization weakens nation-states and ultimately brings into question the principle of state sovereignty as corporations and other inter-state organizations, such as the IMF and the World Bank, grow in power and influence in global governance (Nadrag and Bala, 2014; Perkins, 2004).

Developing nations are very vulnerable to having their national policy objectives and domestic standards undermined by economic decisions that have been made elsewhere. Hand-in-hand with this view is the argument that globalization is simply an extension of colonialism repackaged and marketed into a more palatable form and where former colonial masters (developed nations) get more economic benefit from globalization than former colonies (developing nations)(Garfolo and L'Huillier, 2014a, 2014b; Kolodko, 2003; Shin, 2009).

In this paper I will examine how the current trajectory of globalization has exacerbated world poverty with a particular focus on Sub-Saharan Africa. The rest of this paper is organized as follows. Section two provides a literature review on globalization and the business model it supports. Section three provides a discourse on the issues surrounding the definition and measurement of poverty. Section four links the processes of globalization and poverty in Sub-Saharan Africa. Section five provides concluding comments.

Globalization

Despite the widespread use of the term 'globalization' in the last 30 years there is no consensus on its definition (Gonzalez-Perez, 2013; Hartungi, 2006; Kolodko, 2003; Paliwoda and Slater, 2009; World Health Organization, 2016; Wittman, 2014). While fluidity of meaning can be unsettling for some, for others this characteristic of language allows words to be inserted into various lexicons, and their subsequent meanings and values molded to fit with a particular language game (L'Huillier and Humphrie, 2012). Dispute over definitions is to be expected in comparatively new areas of research within the social sciences (Clarke, 1998) and globalization appears to fall into this category although as noted by van Meerhaeghe (2012) because writers do not agree on a definition they frequently use the word as a synonym for internationalization.

Hay and Marsh (2010) claim that the term globalization has become a 'sociological buzzword' and as such is now largely empty of any analytical or explanatory value. But it has, as noted by Osterhammel and Petersson (2005) become a 'popular buzzword for explaining today's world'. The blurring of a precise meaning has, as observed by Asgary and Walle (2002) and Hartungi (2006) caused confusion as it is used in so many different contexts. Table I contains some of the many descriptions and definitions that have been used to describe or define globalization. However, for the purposes of this paper I define globalization as a process driven by technological innovations that result in the increasing interdependence of economies, societies, and political systems resulting in a complex global web of interconnectedness.

Table 1: Descriptions of globalization

'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' (Giddens, 1990, p. 64).
'Globalization represents a major transformation in the territorial organization of economic activity and politico-economic power' contributing to a 'new geography of power' (Sassen, 1996, pp.1, 5).
'Globalization means one thing above all else: denationalization' (Beck, 2000, p. 14).
'Globalization is the increasing interaction of national economic systems' (Greenspan, 2000, p. xviii).
'Globalization represents a political choice in favor of international economic integration, which for the most part has gone hand-in-hand with the consolidation of democracy' (International Monetary Fund, 2002).
'Globalization … is the process of integration of national economies into the international economy through trade, foreign direct investment by multinational corporations (MNCs), short-term capital flows, international flows of workers and humanity generally, and flows of technology' (Shin, 2009, p. 197).
'Globalization is often defined as the rapidly growing interpenetration and interdependence of countries worldwide through increasing border transactions in goods, services and capital, and through the more rapid diffusion of technology' (van Meerhaeghe, 2012, p. 240).
'The term globalization …. [describes] the increased economic, political, social, cultural and ideological interconnectedness among the world's populations' (van Meerhaeghe, 2012, p. 641).
'Globalization … is generally used to describe a process of growing interdependence that represents a fundamental change from a world of individual and independent states to a world of state interdependence. As a result national boundaries, but also economic and cultural boundaries, are becoming less important. Interdependence refers to the relationship between different actors (states, societies) that are connected in such a way that if something happens to one, all will be affected' (World Health Organisation, 2016).

The processes of globalization has also led to claims of a clash of civilizations with the dominate players successfully instigating a slow march towards a universal identity (Garfolo and L'Huillier, 2014a; Huntington, 1993, 1996; Niezen, 2004). The main losers in this clash being indigenous cultures resulting in cultural genocide. Haas and Hird (2013) observed that 'without cultures, individuals would lose the social contexts on which they rely to define their identities'. I concur with Saul (2005) the processes of globalization lead to transnationals being at the forefront of the market's leadership of civilization and their aggressive dominance and practices will make them impervious to local needs.

Gonzalez-Perez (2013), Held et al.,(1999), Hopkins (2002), O'Rourke and Williamson (2002), Osterhammel and Petersson (2005), Shin (2009), Stearns (2010), and Wittmann (2014) claim that the practice of globalization is not a new business model although when it started is a point of academic debate. It has been suggested that globalization has been around since our first ancestors decided to venture out from their part of the world to explore what was over the next hill or ocean to buy and sell goods and services (Dator, 2006; Garfolo and L'Huillier, 2014b; Guillén, 2001; Kolodko, 2003). What is not under debate is that a paradigm shift has occurred in terms of a frame of reference for social, economic, political, and cultural spheres as a result of the processes of globalization (Garfolo and L'Huillier, 2014b; Nadrag and Bala, 2014; Paliwoda and Slater, 2009; Stromquis, 2002; Wittman, 2014) aided by the speed with which technology and innovation is spread.

Globalization rests on a technological infrastructure (Castells, 1999). Cohen (1998) estimated that thousands of years ago technology spread at an approximate rate of three miles per year whereas today such spread is limited only by access and speed of internet connections (Asgary and Walle, 2002; Castells, 1999; Nadrag and Bala, 2014). I concur with Kolodko (2003), where once we heard comments about the 'world getting smaller' we now witness the 'world of business' expanding. Geographical, cultural, trade, and political barriers have either disappeared completely or are so weak as to not impede access to markets previously thought inaccessible resulting in an exponential expansion in the world economy (Speth, 2008).

Globalization emphasizes homogeneity and standardization both of which are valued in many business sectors as it promotes the benefits of economies of scale and the export of brand loyalty to new, untouched markets (Asgary and Walle, 2002; Nadrag and Bala, 2014). Advocates of the current type and pattern of globalization such as Bhagwati (2004), Köhler (2002), Krueger (2002), and Wolf (2004), argue very convincingly that capitalist markets represent the most effective and efficient system for the buying and selling of goods and services. Opposite but equally compelling arguments are raised by Hirst and Thompson (2000), Khor (2000), Korten (2010, 2015), Maxton (2011), Stiglitz (2002, 2010), and Watkins (2002) who contend that globalization can have devastating effects on individuals, communities, and the environment.

I concur with Gonzalez-Perez (2013) when she states whether for or against globalization all 'share the same paradigm: we are in a globalizing world'. I suggest that globalization will reach its limits only when:

a) the benefits of economies of scale have been reached,
b) the limits of production efficiency gains have been reached,
c) the markets have reached saturation point.

Creating and feeding a consumer mentality is also inextricably linked with homogenization whether that be an individual, a household or a government finding themselves the target of heavy marketing particularly of American symbols and culture (Asgary and Walle, 2002; Holton, 2000; Malik, 2015; Nadrag and Bala, 2014; Weckert and Adeney, 1997; Wittmann, 2014). Asgary and Walle (2002) go so far as to refer to this cultural homogenization as 'McDonaldisation'. Garfolo and L'Huillier (2014b) argue 'globalization deals with global exports, the goal then is to sell as much as you can, export as much as you can and in doing so making as much money as you can'. The result is a 'new' breed of global citizen for whom religion, ethnic nationality, and cultural uniqueness are marginalized in favor of their newly constructed identity (Barber, 1992; Leung et al., 2005; Perkins, 2011; Rumbaut, 1997).

The current trajectory of globalization is aimed toward a global culture that promotes a change in traditional export/import patterns in favor of what the world market demands benefiting consumers and more specifically, western consumers (Malik, 2015). Advocates of globalization support the adoption of business practices not supportive of the local environment or the local population, and foster dependence on other countries and international economic organizations such as the World Bank and the IMF. Hartungi (2006), Perkins (2004, 2011) Shah (2013), and Trainer (2002) suggest these organizations provide strings-attached financial assistance that favour western interests. They identify the following conditions these organizations impose in exchange for financial assistance:

- currency devaluation,
- increasing domestic interest rates,
- elimination of subsidies (including food subsidies),
- modifying or completely eliminating prohibitive regulations and standards that had limited foreign investment,
- reducing the role of the State,
- modifying or completely eliminating State protection for domestic industries while simultaneously providing supportive structures to aid privatization of business and industries.

Globalization works towards bringing in a common language, a common currency, and common behavior (Asgary and Walle, 2002; Barber, 1992; Fairclough 2007; Munell, 2002; Phillipson, 1998). While trading between nations is not a new concept globalization, as a business model, has intensified the interdependence of economies, societies, and political systems. As noted by Garfolo and L'Huillier (2014a,b), Gordon (1988), Hartungi (2006), and Khor (2000) this has resulted in local economic developments of less developed nations being unduly influenced by global pressures as opposed to local policies and local market conditions effectively eroding independent national policy-making capacity. Developing countries can be severely affected by changes in international financial markets and pressured into adopting business practices that are harmful to the environment and the local populous (Humphreis, Jamil and Jordan, in press). Liesch et al., (2012) notes that changes to, and interconnection of, capital markets has been one of the more debated aspects of globalization.

Research by Shin (2009) suggests that the processes of globalization had ‘dramatically increased inequality between and within nations since 1980’. Garfolo and L’Huillier (2014a) concur stating ‘through globalization poor countries have stagnated in terms of economic growth reflecting and resulting in: low productivity, rising income inequality, poor standards of living, unemployment, and poverty due to inequality of income distribution’. The World Bank 2016) also acknowledges growing inequality between and within nations.

Many developing countries do not have strong economic, legal, and political institutions making them vulnerable to manipulation and corruption (Callister, 1999). In addition, often companies and industries are in the infant stage of their life cycle in developing countries and as such find it difficult to compete with companies and industries in the mature stage of their life cycle from developed countries (Hartungi, 2006). As such they can be forced to close to the detriment of the local labor force and communities as a whole (Stiglitz, 2002).

Globalization weakens nation-states and even questions the principle of state sovereignty (Greco, 2009; Matten and Crane, 2005; Nadrag and Bala, 2014; Shenkar, 2004). I concur with Ukpere and Slabbert (2009) when they state that globalization amounts to an ‘effective erasure of national frontiers for economic purposes’. A country’s border is now porous in terms of goods and capital for as noted by Garfolo and L’Huillier (2014a) ‘the move toward a borderless world economy [gives] free access to aggressive corporations to claim new economic territories’.

Globalization is supported by a wide reaching hegemonic effect of the normalization of a profit-driven world (Deetz, 1992), often in a rhetoric advocating the case for productivity gains, improved efficiency, and economic growth. As predicated by McLuhan and Fiore (1967) the notion of a global village is now deeply ingrained in our psyche – it impacts on the governance of countries, at community level, household level, and individual levels and this is particularly so for developing countries.

Before examining the link between globalization, poverty, and Sub-Saharan Africa it is first necessary to define and identify the parameters regarding poverty and will be discussed next.

Poverty

Just as the term globalization has a plethora of meanings so too does the term ‘poverty’ and its measurement (Banya, 2012; Slabbert and Ukpere, 2011). Ravallion (1998) makes the point that ‘a credible measure of poverty can be a powerful instrument for focusing the attention of policy makers on the living conditions of the poor’. As noted by Laderchi, Saith and Stewart (2006) different definitions and measurements have important policy implications and are contentious issues. Central to the discourse on how to define and measure poverty is the methodological premise regarding how to compare the standards of living of widely differing populations, from widely differing geographical locations, and usually priced in different currencies. There are three categories of ‘poverty’ in current usage:

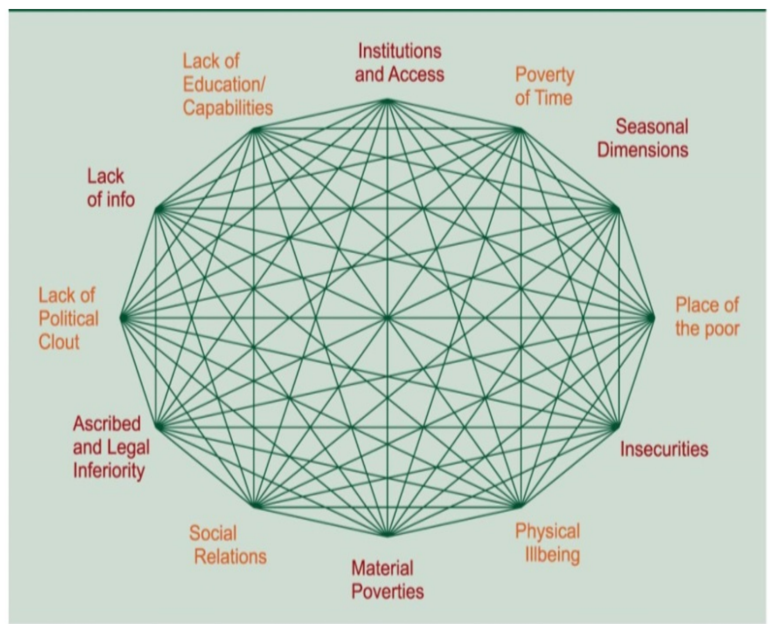
a) *absolute, extreme, or chronic poverty*; a condition characterized by severe deprivation of basic human needs including food, safe drinking water, sanitation facilities, health, shelter, education, and information. It depends not only on income but also on access to services (United Nations, 1995),
b) *relative poverty;* (this is an index of income equality): defined as poverty in relation to the economic status of other members of the society: people are poor if they fall below prevailing standards of living in a given societal context (Unite Nations Educational, Scientific, and Cultural Oranization, 2016),
c) *social exclusion poverty;* a condition characterized by the lack or denial of: resources, rights, goods and services, and the inability to participate in the normal relationships and activities available to the majority of people in a society, whether in economic, social, cultural, or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole (Economic and Social Reserch Council, 2010).

The Chronic Poverty Research Centre (2005) states that 'poverty is not simply having a low income: it is about multi-dimensional deprivation – hunger, under-nutrition, dirty drinking water, illiteracy, having no access to health services, social isolation, and exploitation'. Poverty as a multi-dimensional phenomenon makes it less open to 'simple' solutions (Banya, 2012; Wittmann, 2014).

For the purposes of this paper I adopt the definition of poverty given by Kakwani (2006) 'poverty compasses not only material deprivation … but also many other forms of deprivations in different aspects of life such as unemployment, ill health, lack of education, vulnerability, powerlessness, social exclusion and so on'. This definition encompasses the multi-dimensionality of poverty and as such gives insights into the disadvantages created by poverty. These disadvantages or dimensions can be viewed as poverty's 'web' where people are trapped within social, cultural, political, and economic systems. Figure 1 shows poverty's disadvantages and multi-dimensional interconnectedness.

In line with the definition of poverty adopted for this paper the measurement of global poverty should reflect how the estimated minimum threshold of living meets basic needs in society. However, historically measures of poverty are based on income or consumption data (Foster, 2007; Slabbert and Ukpere, 2011) often 'anchored in core biological (e.g. caloric) needs' (Ferreira et al., 2015).

Figure 1: The web of poverty's disadvantages and multi-dimensional interconnectedness



Source: Chambers (2006, p. 3)

Researchers at the World Bank (2016) have been trying to assess the extent of global poverty across the globe since 1979 and more systematically since 1990 when they started monitoring global poverty using an international poverty line. This international poverty line is based on the national poverty lines of the poorest country or countries in the world at a given point in time although not expressed in local currency. Instead, the international poverty line is expressed in terms of US dollars achieved using a currency translation process using purchasing power parity (PPP) exchange rates. PPP rates are based on private consumption data generated by the World Bank International Comparison Program (ICP).[1] The World Bank's ICP is centered on national household survey data using income and consumption distributions from 131 countries which is then used to periodically update how prices compare across countries which in turn leads to a revision of the international poverty line.

[1] See www.worldbank.org/data/ICP for more details on the International Comparison Program.

The ICP determines which were the poorest countries, according to their criteria of income and consumption distributions, and use their data to base their PPP exchange rates. Table II provides an overview of the World Bank's International Poverty Lines. Since 2008 fifteen countries were deemed the poorest countries in the world of which thirteen were from Sub-Saharan Africa – only Nepal and Tajikistan were from outside this region. Table III provides a list of these thirteen countries.

The World Bank's method of measuring global poverty by setting an absolute international poverty line is seeking to keep the line's real value constant even as relative prices change. As seen in Table II the minimum amount needed to survive has increased from $1.25 in 2008 to $1.90 in 2015. However, this increase does not indicate that global poverty statistics have improved. All it reflects is changes in the PPPs of poor countries. In addition, the international poverty line does not currently take into account the multi-dimensionality of poverty and only measures absolute poverty not relative poverty or social exclusion poverty levels.

Table 2: World Bank International Poverty Lines

	1979	1990	2001	2008	2015
ICP data	1975 PPPs	1985 PPPs	1993 PPPs	2005 PPPs	2011 PPPs
Poverty Line (ICP base year in US $), minimum required for a person to survive for a day	$0.56	$1.01 ($1.00) a day	$1.08 a day	$1.25 a day	$1.88 ($1.90) a day
Countries' poverty lines used as the reference for ICP data.	India	Bangladesh, Indonesia, Kenya, Morocco, Nepal, Pakistan, Philippines, Tanzania	Bangladesh, China, India, Indonesia, Nepal, Pakistan, Tanzania, Thailand, Tunisia, Zambia	Chad, Ethiopia Gambia, Ghana, Guinea-Bissau, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, Sierra Leone, Tajikistan, Tanzania, Uganda	Chad, Ethiopia Gambia, Ghana, Guinea-Bissau, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, Sierra Leone, Tajikistan, Tanzania, Uganda

Source: Adapted from Ferreira et al., (2015).

Table 3: Sub Saharan countries used by the ICP to calculate the international poverty line in 2015

Chad	Guinea-Bissau	Niger	Uganda
Ethiopia	Malawi	Rwanda	
Gambia	Mali	Sierra Leone	
Ghana	Mozambique	Tanzania	

Globalization, poverty, and Sub-Saharan Africa

The globalization business model is both inclusive and exclusive, including everything that can be assigned a monetary value and excluding what cannot (Castells, 2006). It was hailed as the means to reduce world poverty and yet 'the majority of people on the planet are still poor and have not seen the benefits of economic integrations' (Gonzalez-Perez, 2013). There are fierce debates over how successful the globalization business model and associated processes has been in reducing world poverty (Ravallion, 2003). Conflicting claims have been made with both sides seeking support from 'hard' data as to what is happening to poverty levels in the world (Ravallion, 2003). However, Saul's (2005) research findings led him to argue that globalization has failed to live up to its claims that it was a business model that will release or alleviate people from poverty.

The World Bank (2015) claims that 200 million fewer people will be living in extreme poverty in 2015 than in 2012 and that by 2030 the goal of ending extreme poverty may be achieved. But while the World Bank (2016) heralds a projected reduction in the number of people living in absolute or chronic poverty (those living on less than $1.90 a day) 'to under 10 percent of the global population in 2015' overall relative and social exclusion poverty levels have proliferated to record levels. Even the World Bank (2016) admits that ending poverty in all its forms will require a multi-dimensional measurement of global poverty that goes beyond an artificially created international poverty line that effectively 'sugar coats the poverty trends'(Stiglitz, 2012) and is set far too low. According to a Pew Research Center report (2015) the majority of humanity lives on less than $3 per day with 71% of the world's population living on less than $10 per day. Slabbert and Ukpere (2011) claim that 'more than 3 billion of the global population has drifted deeper into poverty; another eight million people die each year because they are too poor to survive and almost a billion lives are in danger of starvation'. So where does globalization and Sub-Saharan Africa 'fit' in these sobering statistics?

Globalization, as noted earlier, involves the unprecedented elimination of trade barriers that had previously restricted transnational corporations and banking institutions access to Third World markets and resources (Paliwoda and Slater, 2009; Trainer, 2002). The result is that trade protection for Third World producers, particularly those from Sub-Saharan Africa, have been removed. It is not a coincidence that Sub-Saharan Africa now accounts for over 50% of the estimated global poor (World Bank, 2015, 2016). If the international poverty line was increased from $1.90 dollars per day to $3 dollars per day (still very low) a conservative estimate is that 88% of people living in Sub-Saharan Africa would be categorized as living in poverty[2]. As noted earlier in Table III, thirteen of the fifteen countries regarded as the poorest countries in the world by the ICP are from the Sub-Saharan representing 25% of all Sub-Saharan countries. Table IV provides a list of all Sub-Saharan countries.

Table 4: List of Sub-Saharan African Countries

Angola	Côte d'Ivoire	Madagascar	Seychelles
Benin	Djibouti	Malawi	Sierra Leone
Botswana	Equatorial Guinea	Mali	Somalia
Burkina Faso	Eritrea	Mauritania	South Africa
Burundi	Ethiopia	Mauritius	Sudan
Cameroon	Gabon	Mozambique	Swaziland
Cape Verde	Gambia	Namibia	Tanzania
Central African Republic	Ghana	Niger	Togo
Chad	Guinea	Nigeria	Uganda
Comoros	Guinea-Bissau	Réunion	Western
Republic of the Congo,	Kenya	Rwanda	Sahara
Democratic Republic of the	Lesotho	Sao Tome and Principe	Zambia
Congo	Liberia	Senegal	Zimbabwe

Source: African Collections (2016)

[2] Percentage calculated from the World Bank data statistics sourced from: http://databank.worldbank.org/data/home.aspx (June 7, 2016).

Stiglitz (2002) claims developed countries advocate hypocritical policies in terms of promoting fair trade and trade openness for the rest of the world but have maintained protectionist policies for their own producers and particularly for their farmers. Litchfield, McCulloch and Winters (2003) report that most third world countries (including those from Sub-Saharan Africa) have reduced their import tariffs to >20% and removed their other trade barriers completely however, the same cannot be said of developed countries.

I posit that why the globalization business model is failing 25% of Sub Saharan countries is that:

a) it is left largely to international market forces to determine how the resources of developing countries are utilized rather that what is needed by the local populous and,
b) it negatively affects those countries where the majority of the population is living in rural areas.

As early at 1986 a report by the United Nations Economic Commission for Africa (UNECA, 1985) identified that the predominate subsistence nature of African countries left them vulnerable to external forces influencing domestic policies and particularly how natural resources are to be utilized. Banya (2012) posits that poverty is 'largely a rural phenomenon'. Trainer (2002) claims that the World Trade Organization (WTO), which deals with global rules of trade between nations, and structural adjustment packages (SAP) of the IMF are very effectively dismantling developing economies making their resources, markets, and ecosystems more accessible to transnational interests. Colgan (2002) argues:

> Over the past two decades, the World Bank and International Monetary Fund (IMF) have undermined Africa's health through the policies they have imposed. The dependence of poor and highly indebted African countries on World Bank and IMF loans has given these institutions leverage to control economic policy-making in these countries. The policies mandated by the World Bank and IMF have forced African governments to orient their economies towards greater integration in international markets at the expense of social services and long-term development priorities. The World Bank and IMF were important instruments of Western powers … in both economic and political terms. They performed a political function by subordinating development objectives to geostrategic interests. They also promoted an economic agenda that sought to preserve Western dominance in the global economy.

Global markets are characterized by agents able to control supply and demand (Langlois, 2003). Market forces ensure that the wealthy get the resources while simultaneously depriving the poor of what they once had and drive investment into areas that yield the highest return such as mining or luxury cash crops rather than what is needed by domestic populations such as food crops. Examples of this abound in Sub-Saharan countries. For example, the United Nation's Children's Emergency Fund (UNICEF) (2015) in Ghana reports that one in five children are stunted due to chronic malnutrition and 57% of all children under five are anemic and yet Ghana is using roughly half its farming land to produce and export cocoa to make chocolate bars, primarily for western consumers. It is the second largest producer of coca, which has a longer production cycle than other tropical crops, and yet 90% of the local population cannot afford to purchase chocolate which by any measure is a luxury good not a necessity. Likewise, UNICEF in Uganda (2015) reports that 38% of children under the age of five are suffering from malnutrition and 30% do not have access to clean drinking water and yet Uganda has undergone a significant shift from the production of food crops to cash crops such as coffee.

In 2016 five countries in Africa were among the top 20 producers of tobacco leaf in the world: Malawi (5^{th}), Tanzania (8^{th}), Zimbabwe (9^{th}), Mozambique (14^{th}), and Zambia (16^{th}) (n.a.,2016). Three of these countries, Malawi, Tanzania, and Mozambique, are among the poorest nations in the world and whose data is used by the ICP to calculate the international poverty line. The argument that the production of tobacco has a devastating negative effect on poverty is neatly summed up by Hu and Lee (2015) when they state:

> Tobacco leaf production and land use for tobacco leaf growing in these countries have been increasing dramatically. More land devoted to tobacco farming means less arable land available to grow other crops for food. Clearing land for tobacco growing, the cutting down trees to cure tobacco, the depletion of soil nutrients by tobacco growing, and the use and contamination of the

water supply as a result of tobacco farming all have negative effect on growing staple crops. This contributes to malnutrition in the communities that farm tobacco.

Regardless of which country or group of countries is under the spot light the globalization business model increases the concentrations of power and wealth to the favored few whereby:

a) the 200 largest corporations in the world now control roughly 30% of global economic activity but employs only 0.5% of the global workforce (Malik, 2015) and,
b) 1% of the world population owns half of the world's wealth (Bentley, 2015) with the 62 richest people in the world having the same wealth as the 3.6 billion poorest people in the world (Oxfam, 2016).

However, those who have not benefited from the globalization business model are:

a) the estimated 1 billion people (nearly 13% of the world population) having to survive on $1.90 US a day (World Bank, 2016),
b) the 1 in 9 people on the planet who do not have enough to eat (Oxfam, 2015),
c) the 80% of the world's population who lack comprehensive social protection (Malik, 2015) and,
d) the estimated 1.5 billion people who are in informal or unsecure employment (United Nations Devedlopment Programme, 2014).

I concur with Perkins (2011), market forces and economic objectives override equity goals. The business processes associated with globalization are what is behind the growing inequality between the wealthy few and the poor majority. The International Poverty Line set by the World Bank gives an unrealistic picture of how many people are living in poverty in Sub-Saharan Africa and around the world as:

a) it only focuses on extreme or chronic poverty,
b) is set too low,
c) ignores the multi-dimensionality of poverty.

Ignoring those living in relative or social exclusion poverty blunts the attention of policy makers to focus on the growing numbers of people living in poverty other than exteme or chronic poverty. Regardless of the optimistic press releases by the World Bank (2015) that by 2030 extreme poverty will be a thing of the past we are on the edge of a 'global tsunami' Perkins (2011) whereby the number of people caught in the grip of poverty's multi-dimensional web will implode and this is particularly so Sub-Saharan Africa.

Concluding comments

Charles Darwin (1845) once wrote 'if the misery of our poor be caused not by the laws of nature, but by our institutions, great is our sin'. I concur with Gordon (1988) and Hirst and Thompson (1996, 2000) an equitable global market based on the globalization business model is an unattainable utopia. While supporters of globalization will point to the 'winners' of the globalization game this paper has focused on the 'losers', those who have not been helped by this business model and specifically those from Sub-Saharan Africa. People living in poverty have always existed but many of today's poor are that way as a result of a particular business model paraded under the banner of globalization. The processes of globalization are driven by the normalization of a profit-driven world which has little time for equality. The people who adopt and promote this business approach do not play nice – as can be attested by the millions who are trapped in poverty's multi-dimensional web. In answer to this paper's title – yes globalisation has failed to alleviate poverty in Sub-Saharan Africa.

Author Biography

Dr Barbara L'Huillier is a New Zealander who currently serves as Associate Chair of the Department of Accounting and Finance at Prince Mohammad Bin Fahd University in Saudi Arabia. She is an accountant by 'trade', initially working in public practice before turning to teaching. Theoretical direction for her doctoral and post-doctoral research comes from critical theory and the use of power for transformational intent. She is particularly interested in notions of justice, equity, and 'good' governance, ethics, globalization and accreditation.

Referenced List

Asgary, N. and Walle, A. H. (2002), "The Cultural Impact of Globalization: Economic Activity and Social Change", *Cross Cultural Management: An International Journal*, Vol. 9 No 3, pp. 58-75.

Banya, K. (2012), "The Poor Ye have with you Always': Poverty and Marginality in Sub-Saharan Africa" in Carol Camp Yeakey (ed.) *Living on the Boundaries: Urban Marginality in National and International Contexts* (Advances in Education in Diverse Communities: Research, Policy and Praxis), Vol. 8, pp. 563-603, Emerald Group Publishing Limited.

Barber, B. R. (1992), "Jihad vs. McWorld", *The Atlantic*, March 1. Downloaded on June 6, 2016 from: http://www.theatlantic.com/magazine/archive/1992/03/jihad-vs-mcworld/303882/

Beck, U. (2000), "*What is globalization*?", Cambridge: Polity Press.

Bentley, D. (2015), "The top 1% now owns half the world's wealth", *Fortune Magazine*, October 14. Downloaded on June 6, 2016 from: http://fortune.com/2015/10/14/1-percent-global-wealth-credit-suisse/

Bhagwati, J. (2004), "Anti-Globalization: Why?" *Journal of Policy Modelling*, Vol. 26 No 4, pp. 439-463.

Callister, D. (1999), "*Corrupt and illegal activities in the forestry sector: Current Understandings and implications for World Bank forest policy: Draft for discussion*". World Bank: Washington. Downloaded on June 6, 2016 from: salvaleforeste.it [RTF]

Castells, M. (1999), "Information technology, globalization and social development", *United Nations Research Institute for Social Development*, Geneva, Vol. 114. Downloaded on June 6, 2016 from: http://www.unrisd.org/

Castells, M. (2006), "*Globalization and identity: A Comparative Perspective*". Downloaded on June 6, 2016 from: http://llull.cat/IMAGES_175/transfer01-foc01.pdf

Chambers, R. (2006), "What is Poverty? Who asks? Who Answers?" in *Poverty in Focus*, International Poverty Centre: United Nations Development Program, pp. 3-4.

Chronic Poverty Research Centre (2005), "The Chronic Poverty Report 2004-05", downloaded on June 6, 2016 from: http://www.chronicpoverty.org/uploads/publication_files/CPR1_ReportFull.pdf

Clarke, T. (1998), "Research on Corporate Governance", *Corporate Governance*, Vol. 6 No 1, pp. 57-97.

Cohen, D. (1998), "The Wealth of the World and the Poverty of Nations", MIT Press: London, cited in Kolodko, G. W. (2003), "Globalization and transformation: illusions and reality", *Journal of Emerging Market Finance*, Vol. 2 No 2, pp. 207-252.

Colgan, A. L. (2002). "Hazardous to Health: The World Bank and IMF in Africa", *Africa Action*. Downloaded on June 7, 2016 from: https://www.africa.upenn.edu/Urgent_Action/apic-041802.html

Dator, J. A. (2006), "What is Globalization". In J. A. Dator, R. Pratt, & Y. Seo (Eds.), *Fairness, Globalization, and Public Institutions: East Asia and Beyond*:" (pp. 13-19). University of Hawaii Press: Hawaii.

Dear, J., Dear, P., and Jones, T. (2013), "Life and debt: global studies of debt and resistance", Jubilee Debt Campaign. Downloaded on June 7, 2016 from: http://jubileedebt.org.uk/wp-content/uploads/2013/10/Life-and-debt_Final-version_10.13.pdf

Deetz, S. (1992), "*Democracy in an age of corporate colonization: Developments in Communication and the Politics of Every Day Life*". State University of New York Press: Albany.

Economic and Social Research Council (2010), "*Social Exclusion*", Downloaded on June 6, 2016 from: http://www.poverty.ac.uk/definitions-poverty/social-exclusion

Fairclough, N. (2007), "*Language and globalization*". Routledge: London and New York. Downloaded on June 6, 2016 from: academia.edu [PDF]

Ferreira, F. H., Chen, S., Dikhanov, Y., Hamadeh, N., Jolliffe, D., Narayan, A., Prydz, E. B., Revenga, A., Sangraula, P., Serajuddin, U., and Yoshida, N. (2015), "A global count of the extreme poor in 2012: data issues, methodology and initial results", *World Bank Policy Research Working Paper*, (7432).

Foster, J. E. (2007), "A Class of Chronic Poverty Measures", *Working Paper No. 07-W01*, Department of Economics, Vanderbilt University, Nashville, USA.

Garfolo, B. T. and L'Huillier, B. M. (2014a), "Economic Colonialism: The New Empire Building of the 21st Century", *Academy of Business Research Journal*, Vol 1, pp. 48-55.

Garfolo, B. T. and L'Huillier, B. M. (2014b), "Ethics, Globalization and Cultural Disintegration", *International Journal of Arts and Sciences*, Vol 7 No 2, pp. 585–592.

Giddens, A. (1990), "*The Consequences of Modernity*", Polity Press: Cambridge.

Giddens, A. (1999), "Runaway World: How Globalization is reshaping our Lives", Cited in Paliwoda, S. J. and Slater, S. (2009), "Globalization through the kaleidoscope", *International Marketing Review*, Vol. 26 No 4-5, pp. 373-383.

Gonzalez-Perez, M. A. (2013), “An eclectic review of critical perspectives on globalization and international business: setting the context for corporate social responsibility and sustainability”, In L. Leonard, L. and M. Alejandra Gonzalez-Perez (Eds.), *Principles and Strategies to Balance Ethical, Social and Environmental Concerns with Corporate Requirements* (pp. 21-50). Emerald Group Publishing Limited.

Gordon, D. M. (1988), “The global economy: new edifice or crumbling foundation?” *New Left Review*, Vol. 168, March-April, pp. 24-64.

Greenspan, A. (2000), “*Global Economic Integrations: Opportunities and Challenges*”, Federal Reserve Bank of Kansas City.

Greco, T. H. Jr., (2009), “*The End of Money and the Future of Civilizations*”, Chelsea Green Publishing: USA.

Guillén, M. F. (2001), “Is Globalization Civilizing, Destructive or Feeble? A Critique of Five Key Debates in the Social Science Literature”, *Annual review of sociology*, Vol. 27, pp 235-260.

Hartungi, R. (2006), “Could developing countries take the benefit of globalization?” *International Journal of Social Economics*, Vol. 33 No 11, pp. 728-743.

Haas, P. M. and Hird, J. A. (2013), “Controversies in Globalization: Contending Approaches to International Relations”, Sage Publications: London.

Hay, C., and Marsh, D. (2010), “Introduction: Demystifying Globalization”, in C. Hay and D, Marsh (Eds.) *Demystifying Globalization*, McMillian Press Ltd: London, pp. 1-21.

Held, D., McGrew, A., Goldblatt, D., and Perraton, J. (1999), “*Global Transformations: Politics, Economics and Culture*”, Stanford University Press: Stanford California.

Hirst, P., and Thompson, G. (1996), “*Globalization in Question: The International Economy and the Possibilities of Governance*”, Cambridge: Polity Press.

Hirst, P., and Thompson, G. (2000). “Globalization – A Necessary Myth” In. A. G. McGrew, and D. Held, (Eds.), *The global transformations reader: an introduction to the globalization debate* (pp. 98-106). Polity Press: UK.

Holton, R. (2000), “Globalization's Cultural Consequences”, *The Annals of the American Academy of Political and Social Science*, Vol. 570 No 1, pp. 140-152.

Hopkins, A. G. (Ed) (2002), “*Globalization in World History: A Pimlico Original*”, Pimlico Publishers: Great Britain.

Hu, T. W., and Lee, A. H. (2015), “Tobacco Control and Tobacco Farming in African Countries”, *Journal of Public Health Policy*, Vol. 36 No 1, pp. 41-51.

Humphries, M., Jamil, N., and Jordan L. A. (In press, 2016), “Invigorating spiritual engagement: reflection for organizational leaders, managers, and people-of-faith”, *Journal of Management, Spirituality & Religion*, pp. 1-24.

Huntington, S. P. (1993), “The clash of civilizations?”, *Foreign affairs*, Vol. 72 No 3, pp 22-49.

Huntington, S. P. (1996), “*The Clash of Civilization and the Remaking of World Order*”, Simon & Schuster Publishers: New York.

International Monetary Fund (2002), “*Globalization*: *A Framework for IMF Involvement*”, Downloaded on March 15, 2016 from:
https://www.imf.org/external/np/exr/ib/2002/031502.htm

Kakwani, N. (2006). “Poverty and Wellbeing”, in *Poverty in Focus*, International Poverty Centre: United Nations Development Program, pp. 20-21.

Kennedy, P., Messner, D., and Nuscheler, F. (2001), “*Global Trends & Global Governance*”, Pluto Press: London.

Köhler, H. (2002), “Investing in Better Globalization”, *International Monetary Fund*, September downloaded on June 6, 2016 from:
https://www.imf.org/external/np/speeches/2002/091902.htm

Khor, M. (2000), “Globalization and the South: Some Critical Issues”, *United Nations Conference on Trade and Development*, Discussion paper No 147 April. Downloaded on June 6, 2016 from: http://www.unctad.org/en/docs/dp_147.en.pdf

Kolodko, G. W. (2003), “Globalization and transformation: illusions and reality”, *Journal of Emerging Market Finance*, Vol. 2 No 2, pp. 207-252.

Korten, D. C. (2010), “*Agenda for a new economy: From phantom wealth to real wealth*”. (2 ed.) Berrett-Koehler Publishers Inc.: San Francisco.

Korten, D. C. (2015), “*When corporations rule the world*”. Berrett-Koehler Publishers Inc.: San Francisco.

Krueger, A. (2002), “Opening Remarks” at the Globalization in Historical Perspective Seminar (August 12-14), *International Monetary Fund*. Downloaded on June 6, 2016 from: https://www.imf.org/external/np/speeches/2002/081202.htm

Laderchi, C. R., Saith, R., & Stewart, F. (2006), “Does the Definition of Poverty Matter? Comparing Four Approaches”, in *Poverty in Focus*, International Poverty Centre: United Nations Development Program, pp. 10-11.

Langlois, R. (2003), “The vanishing hand: The changing dynamics of industrial capitalism, *Industrial and Corporate Change*, Vol. 12 No 2, pp. 351-385.

Leung, K., Bhagat, R. S., Buchan, N. R., Erez, M., and Gibson, C. B. (2005), “Culture and international business: Recent advances and their implications for future research”, *Journal of International Business Studies*, Vol. 36 No 4, pp. 357-378.

Levitt, T. (1983), “The Globalization of Markets”, *Harvard Business Review*, May-June, pp. 92-102.

L’Huillier, B. M., and Humphries, M. T. (2012), “Tinkering with the Social Capital of New Zealand: An examination of the (potential) effects of reducing funding for Adult and Community Education (ACE)”, *Third Sector Review*, Vol. 18 No 2, pp. 53-73.

Liesch, P. W., Buckley, P. J., Simonin, B. L. and Knight, G. (2012), “Organizing the Modern Firm in the Worldwide Market for Market Transactions”, *Management International Review*, Vol. 52, No 1, pp. 3-21.

Litchfield, J., McCulloch, N. and Winters, L. A. (2003), “Agricultural Trade Liberalization and Poverty Dynamics in Three Developing Countries”, *American Journal of Agricultural Economics*, Vol. 85 No 5, pp. 1285-1291.

McLuhan, M., and Fiore, Q. (1967), “*The Medium is the Massage: An Inventory of Effects*”, Penguin Group: Canada.

Malik, A. S. (2015), “Economics for a Sustainable Planet”, *Handbook of Climate Change Mitigation and Adaption*, Springer Science – Business Media, New York.

Matten, D., & Crane, A. (2005), “Corporate citizenship: Toward an extended theoretical conceptualization”, *Academy of Management review*, Vol. 30 No 1, pp. 166-179.

Maxton, G. (2011), *“The end of progress: How modern economics has failed us”*. John Wiley & Sons: Asia.

Mundell, R. (2002), “Does Asia need a common currency”, *Pacific Economic Review*, Vol. 7 No 1, pp. 3-12.

Nadrag, L. and Bala, M. (2014), “A study of the term globalization”, *Linguistic and Philosophical Investigations*, Vol. 13, pp. 641-649.

Niezen, R. (2004), *“A World Beyond Difference: Cultural Identity in the Age of Globalization”*, Blackwell Publishing: USA.

O’Rourke, K. H., and Williamson, J. G. (2002), “When did globalization begin?”, *European Review of Economic History*, Vol. 6 No 1, pp. 23-50.

Osterhammel, J., and Petersson, N. P. (2005), “*Globalization: A Short History*”, Translated by Dona Geyer, University Press: Princeton.

Oxfam, (2015), “Richest 1% will own more than all the rest by 2016”, downloaded on June 8, 2016 from: https://www.oxfam.org/en/pressroom/pressreleases/2015-01-19/richest-1-will-own-more-all-rest-2016

Oxfam, (2016), “Inequality and Poverty”, downloaded on June 8, 2016 from: http://www.oxfam.org.uk/get-involved/campaign-with-us/our-campaigns/inequality-and-poverty

Paliwoda, S. J. and Slater, S. (2009), “Globalization through the kaleidoscope”, *International Marketing Review*, Vol. 26 No 4-5, pp. 373-383.

Perkins, J. (2004), *“Confessions of an Economic Hit Man”*, Berrett-Koehler Publishers Inc.: San Francisco, California.

Perkins, J. (2011), “*Hoodwinked: An Economic Hit Man Reveals why the Global Economy Imploded-and how to Fix it”*, Crown Business Group: New York.

Phillipson, R. (1998), “Globalizing English: Are linguistic human rights an alternative to linguistic imperialism?” *Language Sciences*, Vol. 20 No. 1, pp. 101-112.

Ravallion, M. (1998), “*Poverty Lines in Theory and Practice”*. Working Paper 133, World Bank Publications.

Ravallion, M. (2003), “The debate on globalization, poverty and inequality: why measurement matters”, *International Affairs*, Vol. 79 No 4, pp. 739-753.

Rumbaut, R. (1997), “Assimilation and Its Discontents: Between Rhetoric and Reality”, *The International Migration Review*, Vol. 31 No 4, pp. 923-960.

Sassen, S. (1996). *“Losing Control: Sovereignty in an Age of Globalization”*, New York: Columbia University Press.

Saul, J. R. (2005), "*The Collapse of Globalism and the Reinvention of* the World: Revised Edition", Penguin Group: Canada.

Shah, A. (2013), "Structural Adjustment—a Major Cause of Poverty." *Global Issues*, Vol 24. Downloaded on June 7, 2016 from: http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty

Shenkar, O. (2004), "One more time: International business in a global economy", *Journal of International Business Studies*, Vol. 35 No 2, pp. 161-171.

Shin, S. H, (2009), "*A Study on the Economic Benefits of Globalization: Focusing on the Poverty and Inequality between the Rich and the Poor*", International Area Review, Vol 12 No 2, pp. 191-214.

Slabbert, A. D. and Ukpere, W. I. (2011), "Poverty as a transient reality in a globalized world: an economic choice", *International Journal of Social Economics*, Vol. 38 No 10, pp. 858-868.

Speth, J. G. (2008), "*The Bridge at the Edge of the World: Capitalism, the Environment, and the Crossing from Crisis to Sustainability*", Yale University Press: New Haven, London.

Stearns, P. N. (2010), "*Globalization in World History: Themes in World History*", Routledge: New York.

Stiglitz, J. E. (2002), "*Globalization and its Discontents*", Penguin Group: London.

Stiglitz, J. E. (2010), "Risk and global economic architecture: Why full financial integration may be undesirable", *American Economic Review: Papers and Proceedings*, pp. 388-392.

Stromquist, N. P. (2002), "*Education in a globalized world: The connectivity of economic power, technology, and knowledge"*. Rowman & Littlefield Publishers: USA.

Trainer, T. (2002), "Development, charity and poverty: The appropriate development perspective", *International Journal of Social Economics*, Vol. 29 No 1-2, pp. 54-72.

Ukpere, W. I. and Slabbert, A. D. (2007), "Is socialism actually dead and buried?", *World Journal of Organizational Dynamics*, Vol. 1 No1, pp. 3-7.

Ukpere, W. I. and Slabbert, A. D. (2009), "*A relationship between current globalization, unemployment, inequality and poverty*", International Journal of Social Economics, Vol. 36 No 1-2, pp. 37-46.

United Nations (1995), "*The Copenhagen Declaration and Programme of Action, World Summit for Social Development"*, 6-12 March 1995, New York, United Nations. Accessible from: http://www.un-documents.net/cope-dec.htm

United Nations Development Progamme, (2014), *Human Development Report 2014: Sustaining Human Progress: reducing Vulnerabilities and Building resilience*. Downloaded on June 5, 2016 from: http://hdr.undp.org/en/content/human-development-report-2014

United Nations Educational, Scientific, and Cultural Organization (UNESCO) (2016), "*Learning to Live Together*". Downloaded on June 6, 2106 from: http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/poverty/

United Nations' Children's Emergency Fund (UNICEF) Ghana (2015), "Advocating for Development that Leaves no Child Behind". Downloaded on June 6, 2016 from: http://www.unicef.org/ghana/Ghana_Booklet_Final.pdf

United Nations' Children's Emergency Fund (UNICEF) Uganda (2015), "Country Programme Action Plan 2016-2020". Downloaded on June 6, 2016 from: http://www.unicef.org/uganda/CPAP_2016-2020.pdf

Van Meerhaeghe, M. A. (2012), "Globalization: concept, outcome, future—a continental view", *European Journal of Law and Economics*, Vol. 33 No 2, pp. 293-306.

Watkins, K. (2002), "Making Globalization Work for the Poor", *Finance & Development*, International Monetary Fund, March, Vol. 39 No 1. Downloaded on June 6, 2016 from: http://www.imf.org/external/pubs/ft/fandd/2002/03/watkins.htm

Weckert, J., and Adeney, D. (1997), "Cultural imperialism and the Internet" In *Technology and Society: Technology and Society at a Time of Sweeping Change.* Conference Proceedings, New York, pp. 288-295.

Wittmann, V. (2014), "World society and globalization", *Journal for Multicultural Education*, Vol. 8 No 3, pp. 194-206.

Wolf, M. (2004), "*Why Globalization Works: The Case for the Global Market Economy*", Yale University Press: USA.

World Bank (2015), "*World Bank Forecasts Global Poverty to Fall Below 10% for First Time; Major Hurdles Remain in Goal to End Poverty by 2030*". Downloaded on June 6, 2016 from: http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030

World Bank, (2016), "*The World Bank Global Monitoring Report (2015-16).* Downloaded on June 6, 2016 from: http://www.worldbank.org/en/publication/global-monitoring-report

World Health Organization [homepage on the Internet] (2016), Geneva, Switzerland. Downloaded on June 6, 2016 from: http://www.who.int/trade/glossary/story043/en/index.html