GLOBALIZATION, SOCIAL POLICIES, AND THE NATION STATE

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This article focuses on how globalization is influencing social policies and policy making in nation-states in the South. The paper argues that social policy making is displaced from the national arena because international institutions and capital are globally assuming the control of major social and economic decisions. By examining various factors driving globalization and using cases and examples, the paper demonstrates that neo-liberalism, supported by international financial institutions, is the underlying force permeating the poverty reduction strategies, NGOs and aid policies so that the nation-state is reduced to being an implementer of externally crafted policies. Opportunities and possibilities for independent policy making remain limited because poverty and economic instability are ubiquitous in developing nations thereby reducing their bargaining power within non-uniform and contested policy making field.

Keywords: *globalization, social policy making, threatened nation state, neo-liberalism, international capital.*

Introduction

There is no doubt that globalization plays in many ways a crucial role in reconfiguring the state. The international bodies now act as international governments and nation-states' governments seem to be answerable to international committees and institutions. The process of globalization undoubtedly contributes to the change and reduction of the scope of state sovereign powers. As Grinin observed, the list of threats to state sovereignty often includes global financial flows, multinational corporations, global media empires, the Internet, *etc*. (Grinin 2012). National sovereignty in various situations is produced under crisis conditions, whereas notions of space and political identity are subject to disruption due to the contravention of boundaries by international institutions that try to fix space and identity within international social order. The forces of globalization are in some contexts eroding the competence and even the legitimacy of the nation-state thereby leaving it in continuous crisis. Mittleman (1996) noted that the scope of state autonomy is reduced in the context of economic globalization.

Globalization is a reality, it is not a new phenomenon; however, its nature and speed continue to vary across time and space. To define globalization is also not an easy task; it has several meanings depending on one's standpoint. Heshmati and Lee (2010) indicate that globalization can be defined from various aspects not only with respect to economic activities, but also to political, technological, cultural interactions and with account of many key factors such as standardization, transportation, communication, trading, and migration. Globalization is the most extended theoretical framework of the interpretation of the present. It is a high-level theoretical generalization, and at the same time also an empirical reality anyone can experience (Kiss 2010). Khan and Dominelli (2000) refer to globalization as characterized by mobility of production processes (to which they added the transfer of some service industries, such as call-centres) from advanced industrial (or post-industrial) countries to developing countries; the spread and rising power of transnational corporations worldwide; the liberalization of international finance systems; and reduction in transportation and communication costs.

According to Lyons (2006: 368), to a geographer it implies the compression of time and place incurred in rapid and frequent movements of people and information – while to a cultural anthropologist, it signifies the worldwide spread of McDonalds and Coke, and the dominance of the English language; for many, it is really the developments in transport systems and information and communication technology that have seemed the most tremendous change associated with globalization over the past three or four decades.

Powell and Hendricks (2009) observed that globalization has had three waves. The first wave occurred from 1870 to 1914 marked by falling trade barriers and rapid advances in transport technologies, with falling transport cost. This led to massive migration across national borders and about 10 per cent of the world's population moved to new homes – 60 million people went to the United States from Europe. Many people emigrated to Burma, Sri Lanka, Thailand, Philippines and Vietnam from the densely populated China and India. The second wave lasted from 1945 to 1980. Hendricks observed that after 1918, the world retreated into protectionism and de-globalised, and exports, as percentage of global GDP, fell back to 1870 levels. However, from 1945 the process resumed including widespread trade liberalization and the growth of free trade blocs such as the European Union (EU). Most dramatic phase occurred after 1980 when more trade liberalization – especially the Uruguay Round of 1995, privatization and deregulation, liberalization of capital flows and integration of global money and stock markets and the dynamic growth of Foreign Direct Investment (FDI) took place (*Ibid.*).

Regionalization, best exemplified by the European Union and also a pronounced but questionable trend in Africa, grew after 1980. Powell and Hendricks (2009) further noted that the third wave from 1980 has also been characterized by increasing importance in technology, the failure of most economies to converge on Structural Adjustment Programs (SAPs), delinking of employment from growth and focus on competitiveness.

Methodology/Approach

With the above background, this paper focuses on the fundamental questions of globalization, social policy making and policies. The paper expands the view that social policies are currently being displaced from the national arena because international institutions and capital are globally taking over the control of major social and economic decisions. The paper also seeks to establish whether possibilities and opportunities still exist in social policy making at the national level in developing countries.

This paper is more a piece of a critical think and it is based on a critical review of literature to draw attention to some of the problematic and contradictory issues underlying globalization. The paper expands the debates on globalization and policy making by focusing on peculiar aspects such as neoliberalism and adjustment, poverty reduction, NGOs and aid. The argument extended in this paper is supported by the empirical case material and theoretical views. This paper also recognizes that it is difficult to establish attribution and isolate the effects of trends other than globalization that is why it focuses on specific aspects and cases. It is also important to mention that in some cases globalization also exacerbates problems that are created by nation states themselves.

A policy in the simplest meaning refers to a plan of action or what governments choose to do or not to do. Social policy refers to 'collective interventions directly affecting transformation in social welfare, social institutions and social relations' (Mkandawire 2001: 115). However, this formulation does not deny that social policies may be conceived and implemented with considerations other than the welfare of the society in mind (Yeates 2003).

Discussion

The argument I seek to dwell on at length in this paper is that globalization is threatening social policy making and policies of the developing countries. There is a novel agenda setting framework for social policy making informed principally by neoliberalism that governments, especially in developing nations, can accept or reject at their own risk.

Hobsbawn (1990) noted that the nation-state had been rendered anachronistic by globalization. Chomsky (1991) also argued that a new form of international government has emerged designed to serve the interests of the new international corporate ruling class. Chomsky mentioned the Organization for Economic Cooperation and Development (OECD), the World Bank, the International Monetary Fund (IMF), the United Nations Organization (UNO) and the World Trade Organization (WTO) as *de facto* world governments that control macro economic policy in the third world. The nation-state is challenged to be the major vector of historical development as shown by the collapse of Stalinist state system (East), partial destruction of Keynesianism and welfarist class compromise (West) and containment and dissipation of radical anti-imperialist movements in the South (Chile, Jamaica, Haiti). In this respect, the 'social state is no longer viable' (Bauman 2011: 3).

Due to globalization or capitalist internationalization the nation-state has only four functions as regards capital: providing labor power and markets, removing commercial risks, setting parameters for commercial relations and provision of military security. Mboweni (2003) argued that for Africa, the least globalized region of the world, globalization has two crucial implications for macroeconomic policy managers. Firstly, decisions are often made on the basis of what is happening elsewhere, and thus, the African governments are implementers rather than innovators or strategic players. Secondly, globalization will grow over time, thus increasing uncertainty and complexity in national macroeconomic and social policy making. Mboweni (2003) argues that because Africa is a marginal player in the global economy, the economic fundamentals are often driven by global developments such as the pace of growth in the OECD countries, primary commodity prices, Foreign Direct Investment (FDI) mainly from the OECD, donor strategies and disbursements and head office decisions of multinational corporations. Strategies and technologies are developed in the first world and 'cascade' down to Africa with a time-lag. Interestingly, the time-lag is variable; it is shorter in South Africa than in Benin and Zimbabwe because South Africa is relatively more developed than its African counterparts.

Commenting on the role of the state in the 21st century Kwasi-Fosu (2004) is of the view that that today the role of the state is that of a facilitator and coordinator rather than a planner, direct investor and producer. Its job is to create an enabling environment to promote investment, innovation and growth, and this is best created by 'providing supportive policy environment and institutions'. The neoliberalist Collier (2007) considers the essentials of the state such as macroeconomic stability, undistorted prices, well-defined and well-enforced property rights and political institutions that foster social consensus and political stability. The sanctions imposed on Zimbabwe by Australia and the United States of America clearly show the repercussions of failing to operate according to Collier's assertions. Zimbabwe, as a result of the land reform, has been accused of violating private property rights, human rights and embarking on selective citizenship along racial lines. The legitimacy for redistributing land from a backdrop of unequal colonial and racial land ownership got lost along the way.

With the progress of deregulation and privatization, spearheaded by the World Bank and the IMF, the role of the state is limited to four main areas: the monetary policy – the supply of money, interest rate determination and financing fiscal deficits; the fiscal policy-spending, taxation and financing; the industrial policy – incentives to encourage industries and the exchange rate policy (Kwasi-Fosu 2004). He further argues that most African governments go beyond these broad fields of policy but foreign investors and lenders are increasingly wary of those governments that interfere in day-to-day running of the economy. Therefore, the state is confined within a 'Golden Straightjacket'. The 'Golden Straightjacket' according to Kwasi-Fosu (2004) comprise: trade liberalization, fiscal prudence and monetary restraint, positive real interest rates, a competitive market economy, competitive exchange rates, secure property rights and efficient and impartial legal and judicial system. Countries such as Zimbabwe, with its land reform program, its subsidies to farmers and the current indigenization and economic empowerment policies have stepped out of the 'Golden Straightjacket'. Among other things, this has led to the withholding and withdrawal of donors and funds, for example, the Global Funds for AIDS, Tuberculosis and Malaria and the isolation by Australia and the United States of America.

Thou shall Liberalize or…

Globalization is multifaceted and entails multiple contradictory processes. The conception that more open economies within the global system change the conditions of national social policy making is best explained by the neoliberal discourse and its policy prescriptions. According to Wilding (1997), neoliberalism is a force for, and it ideally requires globalization. Chomsky (1991) argues that Structural Adjustment Programs (SAPS) informed by neoliberal modernization principles indicate a revival of pure old fashioned racist imperialism. Beneath the present 'globalization of inequality' lies the current repetition on a planetary scale of the emancipation of business interests from all extant socio-cultural institutions of ethically inspired supervision and control and, consequently, the immunization of business pursuits against all values other than the maximization of profit (Bauman 2011).

SAPs delineate what a nation should endure to enjoy the 'benefits' of globalization. For example, one condition given to Mozambique by the United States Agency for International Development (USAID – an agent that articulates the US foreign policy) was that it should allow the US companies to exploit natural gas in return for funding in the health sector (Hanlon 1991, 1997). Poverty reduction that was targeted to drop from

63 per cent to 47.4 per cent grew to 77 per cent in Mali. The social costs of adjustment have become too high to be justified in any way.

With neoliberalism, the state is advised to withdraw from making social policies. Biersteker and Weber (1996) noted that neoliberal ethos have made the global regulation of poverty possible. The centrist policy control systems such as the World Bank, the IMF and the WTO manage poverty through policies such as SAPs. Chomsky (1991) argues that what we see with neoliberal principles and SAPs is the globalization of poverty – the majority of the world population never make a phone call, live on less than US$ 2 per day and 6,000 children die everyday because of poor sanitation. Pilger (2006) observed that 24,000 people die every day because of global poverty while the superpowers are wasting resources on a mindless 'war on terrorism'. In most countries that have implemented SAPs such as Zambia, Malawi and Zimbabwe, the gap between the poor and the rich has become frighteningly wide and totally unbridgeable (Mboweni 2003). Pilger (2006) points out that the real terror is poverty not terrorism, thus global superpowers should intervene in the third world countries rather to address poverty than the so-called 'war on terrorism', for example, the US intervention in Afghanistan.

Many supporters of SAPs argue that the policies were not forced upon the third world governments, instead, they were negotiated. However, one ought to realize that the whole business of SAPs, as with aid, is a structured affair. Debt and poverty weakened the negotiating powers of the third world. Countries like Mozambique came out of a civil war with ravaged economies and virtually non-existent public sector provisions (Hanlon 1991, 1997). The conditions stipulated for Mozambique or elsewhere are mechanisms designed to strip nation-states of their power. Thus, with such conditions, Mozambique had no choice but to yield to the dictates of the global corporate ruling class, thus, it had to accept the removal of subsidies, currency devaluation and producer price reforms. Reforms in agriculture were necessary for the unrestricted penetration of capitalist agriculture at the expense of small-holder farmers. With persistent poverty, it is doubtful that Mozambique will ever be able to make independent macro policies.

For the Poor or Worse … in Global Poverty Regulation

Poverty is one of the aspects the world has debated from 1900 to the Millennium Development Goals in 2000. Neoliberal policies are purported to work in favor of poverty reduction. Scholars like Johan Norberg in *In Defense of Global Capitalism* (2001), argued that globalization is enriching the world's poor. Sapkota (2011) argues that the empirical results of his study reveal that globalization enhances human and gender-related development and significantly reduces human poverty, which supports a number of propositions made by Sirgy *et al.* (2004), and the empirical evidences by Tsai (2007) and Oostendorp (2004), among others. For those of the neoliberal persuasion, the greatest promise of globalization is improvement in economic welfare through a more rapid growth and, in the more axiomatic presentations, the open and 'market friendly' policies would lead to a rapid growth that is labour intensive and, therefore, poverty reducing (Mkandawire 2002). Chossudovsky (2003) highlighted that restrictions on outside investment must be eliminated with the concomitant privatization of state-owned facilities and services; workers are not laid off but their wages are frozen or reduced. Consequently, countries will experience growth and therefore reduce poverty.

However, the analysis of the Poverty Reduction Strategies Papers (PRSPs) discourse tends to support the view that international institutions and capital which impose globalization, have globally taken control over major social and economic decisions.

The state is undermined in different ways. The PRSPs have been originally conceived in the context of Highly Indebted Poor Countries (HPCS) debt relief initiative but were later envisaged as the centerpiece for policy dialogue and negotiations in all countries that received concessional financing from the IMF and the World Bank. The PRSPs describe a country's macro economic, structural, social and political programs to promote growth and reduce poverty as well as associated external needs (Wanguza 2001). Wanguza noted that the PRSPs take the form of a document that in theory is prepared by the country's government and civil society including the pro-poor under the supervision of the Bank-Fund teams.

Working in partnership, the actors (*i.e.* government policy makers, civil society members and public representatives) are said to analyze the incidence, nature and causes of a country's poverty, and define strategies for overcoming poverty within specified policy and expenditure targets (*Ibid.*). Purportedly, what was new and central was the objective of achieving a strategy that is 'country driven', locally generated and aimed, 'partnership oriented and developed through' wide participatory dialogue focused on both micro and macro policy levels. Additionally, the PRSPs process would encourage accountability of governments to their own domestic constituencies and citizenry rather than external funders so that the poor became 'active participants' not just passive recipients in the whole process.

In my view, in the name of poverty reduction, the World Bank and the IMF were seeking an expanded basis for sustaining externally driven structural adjustment policies with PRSPs. The PRSPs do not represent a fundamental change in the World Bank programs, thinking and policies. In most cases, the critical elements of PRSPs are the compulsory policy matrices. Commenting on the PRSPs in Lesotho and Mali, Maxwell (2003) says that in both countries the PRSPs represent the Bank-Fund assortment of policy reforms including liberalization, privatization, fiscal and administrative reform, and asset management. Fighting poverty has become the newest justification for the prescriptions geared at increasing the overall opening of the host country to external economic policies and free market rules.

Abugre (2001) commenting on the Poverty Reduction and Growth Facility in Sao Tome and Principe highlighted that it speaks of concessional lending with explicit focus on poverty reduction in the context of growth oriented policy strategy. What this meant to national policy makers was that they were free to discuss poverty mapping, but the final policy document could not go beyond the 'neoliberal free market growth framework'. The longstanding growth model does not allow for real poverty reduction, let alone elimination set forth at the World Social Summit in 2000. According to Mkandawire (2002: 115), while globalization generates serious problems for social harmony and development policy, it reduces the capacities of many states and societies to handle such problems and the reason is that while institutions charged with development policy are still national, the policy options are being narrowed and the effective constituency restricted both by constraints imposed by the new global regime on what is considered prudent and by the erosion of the fiscal capacity of the state.

One can argue that globalization is displacing national policy and makes this justified. According to Bendana (2004), for the World Bank and the IMF, the PRSPs package as a model for adjustment seeks to secure improved poverty administration and public relations in the face of criticism they have received over the years. The World Development Movement (http://www.wdim.org) argues that the obsession with growth policies remains unashamedly dominant in the IMF-World Bank debt relief thinking; yet evidence in Malawi, Zambia and Mozambique that have completed PRSPs showed that growth and poverty reduction may not go hand in hand. It is argued that a number of elements have been left out of the PRSPs because they do not fit the obligatory neoliberal policies and parameters. Policies which national policy makers find indispensable such as land and agrarian reforms, progressive taxation, support for domestic markets and protection of food sovereignty, the protection of the environment and labour vis-a-vis the free market are continuously ignored. Abugre (2001) observes that in the case of Mali, Sao Tome and Principe, Malawi and Mozambique, the PRSPs appeared noticeably similar in their poverty analysis which should raise suspicion about who actually drafts them.

In my view, social policy within nation-states is now characterized by a state reduced to the role of keeping watch over their citizens and preparing them for capitalist fleecing. Chossudovsky (2003) in *Globalization of Poverty and the New World Order* shows that it no longer requires bullets to conquer nations or to suppress people. One tragic case he refers to is the fate of Vietnam, where poverty and epidemics cost numerous lives because of the malice of privatization through which government programs were cut, wages de-indexed, and the nation has neither the capital nor human resources to meet the burden involved. Another sad case study provided by Chossudovsky is that of Brazil, where the president was constitutionally disposed so that multinational conglomerates could gain power to run the economy and social polarization has deepened as a result of support to the land-owning class without social safety nets for the poor.

In his analysis of several other countries Chossudovsky also demonstrates the supremacy and predatory tendencies of international financial institutions and transnational capital. In Somalia, the social fabric of the pastoralist economy was weakened by duty-free beef and dairy products from the European Union: in Rwanda restructuring of the agricultural system threw the population into poverty and destitution, contributing to genocide; in Ethiopia SAPs caused food insecurity, and in Bangladesh the devaluation and price liberalization aggravated famine. Furthermore, in Peru the prices of basic commodities shot up after liberalization and in India (Andhra Pradesh) the retraction of minimum wages enhanced caste inequalities (Chossudovsky 2003).

A Beggar is not a Chooser… Foreign Aid and NGOs

In this section I argue that Non-Governmental Organizations (NGOs) have become the so-called 'altruistic' movers of the globalization process, which is frustrating social policy making at the national level. The state-centric realists, nationalist and populist ideologies converge on the idea that NGOs can supplement government efforts if there is such a necessity. However, they do not subscribe to the idea that international NGOs should supplant the state in national policy making. International NGOs have become conduits of domination and agents through which the precarious foreign aid policies are channeled. Decades of foreign aid have done little in changing the destinies of many Third World countries, most of which are in Africa; leaving them in the deplorable conditions in which they find themselves at present (Andrews 2010: 95). International NGOs, such as the USAID, have the power to influence decisions at the national level, sometimes creating parallel governance and 'mini kingdoms' within nation-sates. NGOs have played a big role in the privatization of health service in Kenya and they have also participated in population control policies in Tanzania.

NGOs are also used to champion the human rights agenda. They are more interested in governmentality than social development policies. The human rights discourse, which has its origins in the developed world, is also threatening national policy making. According to Owen (2001), human rights, especially with regard to political and civil rights have been commoditized by the West and can be sold to the highest bidders in the third world. The International Convention on Human Rights stresses political and civil rights at the expense of socio-economic and cultural rights. The third world governments that have considered land and agrarian reforms as part of socio-economic rights and the need to free people from hunger and food insecurity have been criticized. For example, Zimbabwe has faced criticism for its land reform.

The powerful states use the issue of human rights to promote their imperial interests. One would wonder why the USA wants to be the champion of human rights in Iraq and Syria and, also why it wants to claim to be the humanity's sole protector through criticizing Iran for its nuclear endeavors. Ahmad (2005) argued that ‘the war in Iraq is an imperial war, a war about the internationalization of capital, a war to destroy Islamic fundamentalism and to replace it with Christianity and ultimately capitalism’. If there was no oil in the Middle East, the United States would not waste its tax payers' money waging a profitless war.

Possibilities and Opportunities for National Social Policy Making

The argument here is that the arena or space for national policy making continues to shrink in the context of globalization. Globalization has brought so much uncertainty and complexity in terms of policy making at the national level. The nation-state is losing power to the international institutions. In many ways, its role is being reduced to a spectator that watches the international policy actors at play.

As the Asian experiences (Taiwan, Indonesia, Thailand and Malaysia) have shown, opportunities and possibilities for independent policy making still exist, but for many nations of the developing world it is not practical to conduct independent policy from positions of poverty. May and Roberts (2002) argue that for a low income country, like Lesotho, it is difficult to think about any possibility of independent policy making. The PRSPs and African Growth and Opportunities Act (AGOA) funded by America had grave implications for the country's ability to design national policies. The targets set in the PRSPs have continued to oversimplify and distort the country's development efforts. Under the AGOA, Lesotho has continued to follow an export-oriented growth model exporting its garments to America only as a condition for funding. Social sectors continue to be neglected. For Lesotho AGOA represents the continuation of the external partners' perceptions of what is good for Africa, a new imperialism that shows little change from orthodox economic policies of SAPs (May and Roberts 2002).

Weiss (1998) argues that the notion of the powerless state is fundamentally misleading. She also argues that this notion ignores the adaptability of states, their differential capacity, and the enhanced importance of state power in the new international environment. My paper is supported by empirical cases, an approach I adopted to avoid generalizing. However, whereas her arguments are valid, I disagree with her arguments on a few Asian experiences as many states especially in Africa are stagnant or demonstrate rather weak growth. Even if the Asian tigers could be considered as movers of the globalization process, the financial crises of 1997 and 2008 show that they are not immune to the speculative assaults and pillaging by international capital. Interestingly, it was the same Wall Street bankers that underwrote and guaranteed the bailouts of these Asian countries.

Maxwell (2003) argued that opportunities will remain closed for third world governments as long as they remain resource starved. He notes that in Mali, poverty rate achieved 71 per cent, and about 60 per cent of its population is unemployed and less than half of the population has access to basic health and education services. The country has no financial resources to revive the ailing productive sectors and ineffective social services. Therefore, the national policy makers will remain at the mercy of international institutions. Commenting on PRSPs in Mali, Maxwell (2003) says that under the guise of reform, one witnesses a dangerous attempt to continue further intensification of socially damaging economic processes. One can observe that, whilst the IMF and the World Bank claimed that PRSPs should always be open to modification and improvement, the policy matrices of neo-liberalism remain and continue to be non-negotiable.

Stewart (1994) argued that opportunities for national socio-economic policy making might arise, but if the international economic fundamentalism emanating from Washington and the so-called donor community with the accompaniment of well-meaning but misguided international NGOs remains unchanged, it will not be possible for national governments to take any independent action. Commenting on the role of multinational corporations in the internationalization of capital, Abugre (2001) argued that the international corporate ruling class is using multinationals to supplant national agendas and policies. Countries will continue to be partners in the exploitation of their own resources and labor. In Export Processing Zones in Tanzania, the government surrendered to the whims of global capital by suspending laws and regulations that protect labor. Under this regime, workers are not allowed to unionize, to embark on industrial action and they have no benefits except the low wages. As long as multinational corporations continue to engage in footloose capital, temporal and spatial flexibility, national governments will find it difficult to engage in national policies that favor their citizens. Desperate to get revenues, third world governments allow mining syndicates and capitalist agriculture to triumph at the expense of the environment, as it happens, for example, in Nigeria (Abugre 2001).

All the more so, Warnock (2002) is of the view that it is possible that national policy makers can make independent policies but the extent to which policy makers can make policies that are inclusive and all encompassing is contentious. Some opportunities might allow the adoption of policies that benefit only a small part of the society, thus further excluding and marginalizing some other sections. In the case of Lesotho, Roberts and May (2002) noted that the growth under the AGOA may continue to take the appearance of improved social indicators but it has failed to address inequalities, the growing rich/poor gap and it is pushing some sectors into deeper poverty and undignified employment. In Nigeria, the OECD and powerful OPEC countries continue to call the shots with the blessings of the government at the expense of the local palm oil producers and palm tree farmers. In Ghana, the government continues to tax small-holder cocoa producers whilst the large scale farmers allied to the international corporate ruling elite benefit. In Kenya, the IMF and the World Bank have been supporting health sector corporatism making health services inaccessible and unaffordable to over 50 per cent of the country's poor population.

Arguments have been put forward especially from the discourses of the New Public Management, that partnerships offer a new framework to define policies and their implementation. In my view, this is a good idea that partnerships may give the poor countries some political space to make independent policies. As noted by Mkandawire (2002), the nation-state still remains the privileged agent of any project of democratization and social progress. However, there are still some problems. Maxwell (2003) notes that in Lesotho, too much external influence leads to the loss of the local origin of the PRSPs. In addition, the PRSPs for Lesotho were drafted by the South Africans employed by the Bank-Fund representatives in Lesotho. Maxwell also believes that the IMF and the World Bank have continued to be disquiet about the extent to which countries can have their own strategies; in the future one will realize the impropriety of the desperation-induced compliance for policy ownership.

Conclusion

With globalization now extensively characterized by growing trans-state capitalism and rapid internalization of capital, it is difficult to offer solutions on how national policy makers can go about making policies. It is difficult to challenge international capital when the countries are poor. It is a sad reality that poverty and sovereignty may not go hand in hand in most cases. In addition, the implications on social policy are different across countries; therefore it would make sense to give every country some special recommendations. However, the nation-states anyway need to reorganize their economies first, so that they increase their bargaining power. The nation-states can also ally with local NGOs, civil society and the grass roots movements against the transnational tendencies instead of isolating their own citizens. Southern countries should continue to forge alliances as ex-colonies and poor nations to fight the international corporate ruling elite, for example, through the African Union, the Southern African Development Committee, the Economic Community of West African States and the Common Market for East and Southern Africa.

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