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Measuring Degree of Globalization of African Countries on Almost Equimarginal Contribution Principle

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Abstract

This paper is an exercise in construction of an alternative globalization index for 43 countries in Africa. It has used a new method for measurement of the degree of globalization (or construction of a globalization index) based on minimization of the Euclidean norm of the Shapley values, the concept borrowed from the cooperative game theory. It assigns weights to constituent variables such that their mean expected marginal contribution to the synthetic index is as equitable as possible. Since this index is based on combinatorial logic, it is also less likely to be affected by outlier data points. Globalization index for 43 African countries (for a time series of 45 years, 1970-2014) has been constructed. The new index has been compared with the KOF index of globalization for the countries under study. As its validation, it has been found that the index has stronger correlation (vis-à-vis the KOF index) with Human Development index, Corruption Perception index, Freedom index and the indicators of abject poverty in the African countries. Viewed as such the new index represents globalization closely in connection with other relevant socio-economic measures than its rival (KOF index of globalization) as well as it is based on more plausible theoretical premises based on marginal contribution rather than correlation.

Key words: Globalization, synthetic index, African countries, Shapley values, Equi-marginal contribution.

JEL Index: C43, C71, F02, F60, O55

1. Introduction: Africa, the second largest continent of the World, covers about 20% of the Earth's land and 6% of the Earth's surface. It is inhabited by about 1216 million people that make about 16.36% of the total population of the World. It has 54 nation states: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo Rep., Congo (DRC), Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, South Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe. Some areas of the continent are yet to have their own government.

Africa has abundant natural resources. The continent is believed to hold 90% of the world's cobalt, 90% of its platinum, 50% of its gold, 98% of its chromium, 70% of its tantalite, 64% of its manganese and one-third of its uranium. Some African countries (e.g. Algeria, Angola and Libya) have large proven oil reserves. However, it is the World's poorest and most underdeveloped continent. It is partly so because of European colonialism that exploited resources and kept the people and the area underdeveloped. Prospects of economic development are by and large path dependent. For the last 30 years or more, the main reasons behind the poor progress of African countries are domestic conflicts among different factions for power, blatant human right violations and large scale genocide, wide spread corruption in the governments, failed central planning, illiteracy, poor state of health, transport and communication infrastructure, lack of integration among different African countries, and so on. In 2015, about 2/3rd of the countries in Africa had low human development (index values ranging from 0.54 to 0.35), about 1/4th of the countries had medium level of human development (index values ranging from 0.70 to 0.56) and only 5 countries had the human development index values ranging from 0.78 to 0.72. Almost 2/3rd of the total number of countries in Africa have under 40 score for perceived corruption. As to poverty, in more than a half of the total number of African countries about 1/3rd of people live with daily income less than 2 US dollars and about 2/3rd of people live with income well below 3.5 US dollars.

2. Economic development of African Countries: On an average, African countries have a Gross Domestic Product (GDP at PPP) of about \$116 billion and per capita GDP \$5809 thousand (Table-1) which appears to be impressive vis-à-vis many less developed countries in other regions. However, this impressive picture is marred by inequalities and poor growth rate. Overall, income is increasing only with a meagre growth rate of 4.6% per annum. About a half of the total income of these countries is claimed by only three countries and about 2/3rd of the total income is due only to five countries. The Gini coefficient of GDP in Africa is 0.72 and that of its per capita GDP is 0.56. The countries at the southern end of the continent (Botswana, Namibia and South Africa) have the highest intrastate income disparities (exceeding Gini coefficient > 0.6), followed by Zambia, Rwanda, Lesotho, Swaziland, Comoros, Guinea_Bissau and Central African Republic (Gini coefficient between 0.5 and 0.57). Among the countries having appreciable income equality are: Mali, Niger, Libya, Egypt, South Sudan, Ethiopia, Somalia, Burundi and Zimbabwe (Gini coefficient less than 0.33).

Country	Gross Domestic Product PPP			Country	Gross Domestic Product PPP		
	In \$ Billions	Per Capita (\$ 000)	Annual Growth Rate (%)		In \$ Billions	Per Capita \$ 000	Annual Growth Rate (%)
Algeria	555.34	13757	3.80	Lesotho	5.4	2500	3.40
Angola	171.91	6662	4.80	Madagascar	34.5	1386	3.30
Benin	20.42	1830	6.40	Malawi	16.5	931	5.70
Botswana	35.69	15496	4.10	Mali	27.69	1528	7.00
Burkina Faso	29.74	1597	4.20	Mauritania	12.03	2890	5.60
Burundi	8.29	718	4.50	Mauritius	24.39	19091	3.60
Cameroon	68.54	2867	5.90	Morocco	252.25	7245	2.60

Cape_Verde	2.91	5515	0.60	Mozambique	32.23	1122	7.40
C_Africa_Rep	2.35	469	1.00	Namibia	24.04	9567	6.50
Chad	25.35	1750	6.90	Niger	19.18	927	7.00
Comoro_Iss	1.17	1445	2.00	Nigeria	1,162.44	6221	6.30
Congo_DRep.	58.49	12346	9.50	Rwanda	20.85	1756	7.60
Congo_Rep.	27.27	342	6.80	Senegal	37.34	2397	4.30
Cote_dIvoire	77.31	3326	8.80	Seychelles	2.77	28528	6.20
Djibouti	3.17	3523	6.00	Sierra_Leone	9.49	1441	4.60
Egypt	995.42	10663	2.90	South_Africa	659.59	11998	1.70
Eq_Guinea	26.5	30497	-0.50	Sudan	184.75	4490	1.60
Ethiopia	171.56	1685	10.30	Swaziland	8.63	6619	3.60
Gabon	33.48	18999	4.40	Tanzania	99.92	1813	7.00
Gambia	3.54	1726	0.90	Togo	10.29	1374	5.40
Ghana	111.39	3975	4.00	Tunisia	122.32	10754	2.30
Guinea	15.16	1172	1.10	Uganda	56.53	1403	5.20
Guinea_Biss	2.43	1287	1.00	Zambia	48.86	2925	4.70
Kenya	116.02	2457	5.30	Average	115.65	5809	4.60

Source: GDP PPP data, World Economics Population data, United Nations

Although it is possible to achieve a very high momentum in economic development through a command economy and proper planning, it necessitates a very high level of cultural development, discipline and a sense of social concern among the people, particularly in those who are decision-makers at the apex level. This condition has not largely been met with in reality. Failure of the USSR is one of the telling examples (Mishra, 2017b). Therefore, economic development is considered to be dependent on right to property and freedom to decision-making in augmenting, nurturing, protecting and employing one's property as one chooses in one's own interest. Property rights together with fiscal freedom, business freedom, labour freedom, monetary freedom, trade freedom, financial freedom and freedom from corruption are considered necessary for economic development. It also responds to Govt. expenditure (as a % to GDP). However, a closed economy working in indigenous socio-political and socio-psychological set up may show up resilience to maintain a low level equilibrium and resist changes. It is partly so due to the vested interests of the class that is beneficiary of such a low level equilibrium. It is required, therefore, that a country should open itself to ideas, culture, capital, skill and technology outside national boundaries. This approach to economic development calls for globalization.

3. The globalization wave: Globalization is the process of integration of a national economy with the world economies through trade, financial flows, exchange of technology, information and ideas, cultural modalities and movement of people. Historically, the countries of the First World always preferred globalization in their own economic interests. Countries of the Second World made their own Bloc and interacted with the First World countries only with caution. The reason was that they had two different economic systems with conflicting ideologies. The countries of the Third World had different degrees of association with the First and the Second World countries. However, most of the countries in the Third World borrowed substantially from the international organizations for financing their development efforts, although ideologically they remained closer to the Socialist Bloc. After the fall of the USSR, the socialist ideology suffered a great setback. The countries of the Third World (including the countries in the Socialist Bloc that emerged after the dissolution of the USSR) rushed in for establishing economic relationship with the countries of the First World. Thus came the wave of globalization that swept Asia as well as Africa.

However, globalization has not been much successful in African countries, nor have they benefitted much from the wave of globalization (Ouattara, 1997). Kataoke (2008) observes: "Africa's share (Sub-Saharan African countries) of the global economy is little more than 2.5%, and with the exception of oil-producing countries profiting from the recent price hikes and countries rich in mineral resources such as rare metals, few countries are enjoying the benefits of globalization." This is so because African countries have concentrated on primary sector (and export of its products)

without developing the processing industries to raise value-added component. This has, first of all, arrested the emergence and growth of possible industries having a backward linkage to the primary resources and secondly it could not generate employment. Also, they have depended on international prices that are fluctuating. The worst affected countries have been exporters of mainly agricultural products, due to the slump in cacao and coffee prices since the beginning of the 1990s.

4. Quantitative measure of globalization: Samimi (2011) reviews several synthetic indices that make an attempt to quantify globalization visualized as a multi-faceted process and incident. It has been pointed out by Samimi that Kearney (2002, 2003) is the first attempt to introduce a multi-faceted measurement for globalization. This index (also called the Kearney/Foreign Policy Globalization or KFP) measures not only economic integration but also technological connectivity, personal contact and political engagement. Weights are assigned based on construction belief, based on the judgment of the analyst as to the relative importance of different aspect variables. Variables are weighted double or single relative to others. The reason for a priori weights is that they have some normative significance. Another is the CSGR2 Globalization Index. This index is complementary to the KFP index that measures the economic, social and political dimensions of globalization. Instead of subjective or judgmental weights, it uses the Principal Component Analysis (PCA) for weight assignment. The third is the MGI index. It uses seven group of variables including global politics, organized violence, global trade and finance, social and cultural, technology and environment to cover all dimensions of globalization. This is the only index that incorporates the environmental dimension of globalization (Samimi, 2011). A mention has also been made of the G-Index (Randolph, 2001) and NGI or New Globalization Index (Vujakovic, 2010). NGI incorporates several new variables and as a novelty also includes geographical distances between countries so as to account for the distinction between globalisation and regional integration. It uses PCA for weight assignment.

Konjunkturforschungsstelle (The Economic Research Centre), Zurich, Switzerland has regularly been constructing globalization index year-wise now for over a decade. It is known as the KOF index of globalization (Dreher, 2006; Dreher et al., 2008). It visualizes three aspects of globalization; economic, social and political. It does not incorporate environmental variables. The economic dimension of globalization has two sub-aspects: (1) actual economic flows (such as trans-border trade, direct investment and portfolio investment, E1) and (2) restrictions on trans-border trade as well as capital movement by means of taxation, tariff, etc, E2. Once synthesized they make E. The social dimension has three sub-aspects: (1) trans-border personal contacts (degree of tourism, telecom traffic, postal interactions, etc.), S1, (2) flow of information, S2, and (3) cultural proximity, S3. Once synthesized, they make S. The political dimension has only one aspect, P. At the second stage, E, S and P are synthesized to give the KOF Index of globalization. For synthesis (and weight assignment) the method of PCA is used.

Methodologically, globalization indices listed and describe above use either subjective (judgmental) weights or the PCA for weight assignment and synthesis. It has been pointed out that subjective assignment of weights has many limitations (Lockwood, 2001; Andersen and Herbertsson, 2003; 2005). It has also been pointed out that the PCA, since it depends on correlation coefficients, has elitist bias for poorly correlated variables (Mishra, 2016, 2017a) as well as it may severely be affected by outliers. Moreover, correlation coefficients do not measure importance. It has been proposed, therefore, that instead of correlation, the Shapley values of constituent variables (contributing to the synthetic index) may be used as criterion for deriving weights. The proposed method is named as the Almost Equi-marginal Contribution (AEMC) index of globalization.

The AEMC index is obtained by the weighted aggregation of constituent variables such that the Euclidean norm of the Shapley values (which are mean expected marginal contributions) of the constituent variables to the aggregate (synthetic) index is minimized. In the process of optimization

suitable weights are automatically assigned to the constituent variables. Shapley values have their origin in cooperative (collusive) game theory and have been credited for many desirable properties (Roth, 1988). It claims that it provides the most efficient or optimal measure of expected marginal contribution of an agent (constituent variable) to the total value of the game (synthetic index). Additionally, since Shapley values are worked out combinatorially, it is expected to overcome the outlier problem unless every aspect of a case is vitiated by the outliers, which is much less likely. Nevertheless, the method has a demerit in being computation-intensive.

5. The present study: The present study is based on the data pertaining to the three aspects of globalization (E1, E2, S1, S2, S3 and P) of 43 African countries provided by the KOF for the years 1970 through 2014. E1 and E2 were used by the KOF for constructing E and S1, S2 and S3 were used to construct S. Finally KOF obtained the (synthetic) index of (overall) globalization in 2017 by fusing (aggregating) E, S and P at the second stage. In contrast, we fuse E1, E2, S1, S2, S3 and P all at one go. All African countries could not be used in our enterprise on account of inavailability of data on some aspects of globalization for the one or the other years for the countries excluded from our study. Hence, the present study covers only 43 countries.

In view of the fact that we are using a new method for constructing a synthetic index, we have used our own computer program for computation of Shapley values and also for optimization of the Euclidean norm of the Shapley values. Algorithmically, we have used the Host-Parasite Co-Evolutionary (HPC) algorithm for global optimization (Mishra, 2013). To be doubly sure of our optimization efforts, we have also solved the problem by another method of global optimization called as the Differential Evolution (DE) method (Storn and Price, 1997; Mishra, 2006). These methods gave very close results and thus corroborated each other. To avoid duplication we have presented the HPC results only.

6. The findings: We have presented our results in Table-2 and Table-3. In Table-2 we have presented the Shapley values obtained by the KOF Index of globalization (for 2017, countries as included in the study at hand) as well as the AEMC index of globalization. It may be observed that in KOF index the Shapley values for S1 and S3 are much smaller than those of E1, E2, S2 and P. Thus, trans-border personal contacts and cultural proximity have been contributing much less (than they could) to the KOF index. However, the AEMC, by virtue of (almost) equalizing the marginal contribution of each constituent variable to the synthetic index, improves the Shapley values of S1 and S3. In so doing, S2 has been assigned a smaller weight vis-à-vis other constituent variables, although it does not lose its marginal contribution unduly on account of the assignment of a smaller weight.

In Table-3 we present the KOF and the AEMC indices side by side to facilitate comparison. It is relevant to mention that although we have used the time series data (for 1970 through 2014; 45 years) for all the 43 countries in the process of computation, we have presented only the largest value of AEMC globalization index that any country has obtained during 1970-2014. We have mentioned the year in which a particular country scored maximum value of AEMC globalization index. Alongside that, the KOF index value also is presented for that year. This choice not only facilitates presentation, it also preserves the information on the realized maximum degree of globalization that a country has attained. If we would have used any other measure (say, mean level globalization attained by a country in the study period 1970-2014) we could have lost this information. The terminal year (2014) also could not have been appropriate on account of pervasive effect of slow-down since 2007-08.

The most globalized five countries in Africa (see Table-3) are: Egypt, Mauritius, South Africa, Morocco and Seychelles. Of these, two are islands. Their (AEMC) score of globalization is between 50 and 67. The least globalized 9 countries are: Angola, Cameroon, Madagascar, Ethiopia, Tanzania,

Chad, Congo Democratic Republic, Burundi and Central African Republic having AEMC globalization score between 35 and 27. Average score of AEMC globalization is 40.60.

It may also be pertinent to point out that the KOF index of globalization and the AEMC index of globalization are highly correlated, exhibiting Kendall's Tau = 0.7785 (see Table-4) and Spearman's Rho = 0.9251 (see Table-5). The Gini coefficient of the KOF index is 0.0913 against AEMC Gini=0.115, which indicates that AEMC index has more variability.

Globalization Aspect	E1	E2	S1	S2	S3	P	Norm
Shapley Value (KOF)	0.20294	0.13317	0.07634	0.25523	0.06651	0.26424	0.45181
Shapley Value (AEMC)	0.16483	0.16532	0.16484	0.17465	0.16563	0.16472	0.40834
AEMC Weights	0.47479	0.67665	0.83955	0.00816	0.57448	0.91453	-

7. Validation of KOF and AEMC indices on other socio-economic measures: Validation of the results of an analysis is often done through testing its corroborative or explanatory power as to the external information or the information that was not a part of the analysis. The KOF uses correlation and the AEMC uses Shapley values. They obtain optimal values with respect to their own criterion. To judge between them we must use extraneous information.

Validation on human development index: The potential of globalization is dependent not only on natural resources but also on the quality of human resources or the degree of human development. In turn, economic benefits accruing from globalization must be reflected in an improvement in human development index partly on account of an increase in income and partly due to increased public expenditure on education (literacy) and health infrastructure/facilities made available to the people. It is expected, therefore, that the indices of globalization are positively correlated with the Human Development Index (HDI). We find (table-4) that the values of Kendall's Tau between HDI and the two alternative indices of globalization, KOF and AEMC, are 0.4787 and 0.5518 respectively. The values of Spearman's coefficient of correlation for them are 0.6694 and 0.7414 respectively. On both counts, HDI is more strongly correlated with the AEMC index vis-à-vis the KOF index of globalization.

Validation on corruption perception index: The corruption perception index (CPI) is an important measure that correlates with growth not only in boosting up globalization but also in rendering the benefits of globalization to the people. It has been discussed by many scholars that prevalence of corruption discourages foreign investment and thwarts globalization (Alfaro et al. 2005; Montiel, 2006; Kadir, 2015). We find that the Kendall's Tau of CPI with the KOF index and the AEMC index are 0.4138 and 0.4725. The values of Spearman's correlation of CPI with the two alternative indices are 0.5839 and 0.6509. Once again, the CPI is more strongly correlated with the AEMC index (in comparison to the KOF index).

Validation on Economic freedom index: Freedom index (EFI) provides a good measure of preconditions for the benefits of globalization to trickle down or percolate to spur domestic economic forces for vigorous working. They make the forward linkages to globalization efforts by stimulating the domestic enterprises leading to 'globalization-led growth'. Table-4 and Table-5 indicate that EFI is more strongly associated with the AEMC index (Kendall's tau=0.3744; Spearman's Rho =0.5237) than the KOF index (Kendall's tau=0.2989; Spearman's Rho =0.4589).

Validation on poverty indicators: Percentage of people living on meagre income is measured by two indicators: Income1.9 and income3.1, which mean the percentage of people living on daily income below \$1.9 and \$3.1 respectively. They are the measures of poverty. They may work very well to gauge the beneficial effects of globalization in promoting the social welfare. They may also work the other way round. It may be hypothesized that countries with wide-spread intense poverty cannot do well in globalization efforts. We observe (Table-4 and Table-5) that both of these measures are more strongly associated with the AEMC (vis-à-vis the KOF) index. The strength of relationship validates the appropriateness of the AEMC index of globalization. It may also be noted that Income3.1 is more strongly (negatively) associated with globalization indices than the Income1.9 is. It indicates that abject poverty (Income1.9) is not as strongly associated with globalization as the relatively less acute poverty (Income3.1). This fact should suggest active government policies to alleviate the conditions of abject poverty which may not automatically respond to globalization efforts.

Country	Globalization Index		Human Development Index-2014 (1)	Corruption Perception Index 2016 (2)	Percent Persons Living on Daily Income (in \$) (3)			Freedom Index (4)	Type of Colonization	
	Year	KOF			AEMC	Year	< 1.90			< 3.10
Egypt	2014	63.2	66.72	0.691	34	N/A	N/A	N/A	55.2	3
Mauritius	2014	66.61	63.57	0.745	54	2012	0.53	2.96	76.5	3
South_Africa	2014	66.72	62.47	0.666	45	2011	16.56	34.68	62.6	2
Morocco	2012	66.28	59.48	0.647	37	2007	3.12	15.53	60.1	3
Seychelles	2014	59.88	50.14	0.781	55	N/A	N/A	N/A	57.5	3
Namibia	2007	54.74	49.19	0.64	52	2009	22.6	45.72	59.6	2
Botswana	2008	55.5	47.72	0.698	60	2009	18.24	35.74	69.8	1
Tunisia	2005	60.18	46.64	0.725	41	2010	1.99	8.4	57.7	3
Ghana	2004	52.44	45.58	0.579	43	2005	25.15	49.04	63.0	1
Gambia	2003	51.24	44.85	0.452	26	2003	45.29	68	57.5	3
Gabon	2014	55.96	44.16	0.697	35	2005	7.97	24.43	58.3	3
Zambia	2007	52.96	42.27	0.579	38	2010	64.43	78.87	58.7	3
Senegal	2009	53.35	42	0.494	45	2011	37.98	66.26	57.8	3
Algeria	2006	54	40.85	0.782	34	N/A	N/A	N/A	48.9	3
Cape_Verde	2001	44.62	40.81	0.648	59	2007	17.57	39.26	66.4	3
Nigeria	2007	53.33	40.42	0.527	28	2009	53.47	60.5	55.6	3
Swaziland	2014	47.48	40.36	0.541	43	2009	42.03	63.12	59.9	1
Congo_R	2014	51.83	40.24	0.592	20	2011	28.71	52.91	45.0	3
Cote_d'Ivoire	2007	49.83	39.9	0.474	34	2008	29.02	55.14	58.5	3
Togo	2014	53.7	39.73	0.487	32	2011	54.18	74.54	53.0	3
Niger	2014	47.92	39.06	0.353	35	2011	50.34	81.75	54.6	3
Zimbabwe	1995	44.41	39.01	0.516	22	N/A	N/A	N/A	37.6	2
Mauritania	2014	51.45	38.63	0.513	27	2008	10.91	32.48	53.3	3
Kenya	2003	46.01	38.24	0.555	26	2005	33.6	58.85	55.6	2
Mozambique	2013	47.63	38.07	0.418	27	2008	68.74	87.54	54.8	2
Malawi	2013	45.4	37.34	0.476	31	2010	70.91	87.64	54.8	3
Rwanda	2014	45.56	37.26	0.498	54	2010	60.25	80.66	64.8	1
Lesotho	1997	40.58	37.24	0.497	39	2010	59.65	77.28	49.6	1

Benin	2014	46.67	37.14	0.485	36	2011	53.11	75.63	58.8	1
Uganda	2004	43.36	37.02	0.493	25	2012	33.24	63.03	59.7	3
Burkina_Faso	2013	47.81	36.68	0.402	42	2009	55.29	80.47	58.6	3
Sierra_Leone	2012	45.42	35.98	0.42	30	2011	52.33	79.96	51.7	3
Mali	2006	44.65	35.44	0.442	32	2009	49.25	77.71	56.4	3
Guinea	2003	41.41	35.1	0.414	27	2012	35.27	68.65	52.1	3
Angola	1998	43.92	34.89	0.533	18	2008	30.13	54.52	47.9	2
Cameroon	2004	42.96	33.08	0.518	26	2007	29.27	54.27	51.9	3
Madagascar	2014	42.9	31.07	0.512	26	2010	81.76	92.91	61.7	3
Ethiopia	2014	39.33	30.94	0.448	34	2010	33.54	71.27	51.5	1
Tanzania	2007	37.71	30.71	0.531	32	2011	46.6	76.1	57.5	3
Chad	2006	38.37	30.52	0.396	20	2011	38.43	64.82	45.9	3
Congo_DR	2013	41.67	29.54	0.435	20	2012	77.18	90.73	42.7	3
Burundi	2014	35.04	28.07	0.404	20	2006	77.65	92.17	53.7	1
African_Rep_C	2010	36.14	27.6	0.352	20	2008	66.27	82.27	45.9	3

(1). Source: https://en.wikipedia.org/wiki/List_of_African_countries_by_Human_Development_Index;
(2). Source [http://www.ey.com/Publication/vwLUAssets/EY-Transparency-International-Corruption-Perceptions-Index-2016/\\$FILE/EY-Transparency-International-Corruption-Perceptions-Index-2016.pdf](http://www.ey.com/Publication/vwLUAssets/EY-Transparency-International-Corruption-Perceptions-Index-2016/$FILE/EY-Transparency-International-Corruption-Perceptions-Index-2016.pdf)
(3). Source https://en.wikipedia.org/wiki/List_of_countries_by_percentage_of_population_living_in_poverty
(4). Source: https://en.wikipedia.org/wiki/Index_of_Economic_Freedom

Measure	KOF Index	AEMC	HDI	CPI	Income1.9	Income3.1	EFI	HTCD
KOF	1.0000	0.7785	0.4787	0.4138	-0.4035	-0.4548	0.2989	0.1093
AEMC	0.7785	1.0000	0.5518	0.4725	-0.4170	-0.4791	0.3744	0.0406
HDI	0.4787	0.5518	1.0000	0.3543	-0.5024	-0.5915	0.3002	-0.0234
CPI	0.4138	0.4725	0.3543	1.0000	-0.2365	-0.2337	0.5453	-0.1463
Income1.9	-0.4035	-0.4170	-0.5024	-0.2365	1.0000	0.8677	-0.2341	-0.0416
Income3.1	-0.4548	-0.4791	-0.5915	-0.2337	0.8677	1.0000	-0.2422	-0.0227
EFI	0.2989	0.3744	0.3002	0.5453	-0.2341	-0.2422	1.0000	-0.1160
HTCD	0.1093	0.0406	-0.0234	-0.1463	-0.0416	-0.0227	-0.1160	1.0000

KOF = KOF Index of Globalization; AEMC = AEMC Index of Globalization; HDI = Human Development Index; CPI = Corruption Perception Index; Income1.9 = % of People with Daily Income less than \$1.9; Income3.1 = % of People with Daily income less than \$3.1; EFI = [Economic] Freedom Index; HTCD = Historical Type of Colonization Dummy.

Measure	KOF Index	AEMC	HDI	CPI	Income1.9	Income3.1	EFI	HTCD
KOF	1.0000	0.9251	0.6694	0.5839	-0.5433	-0.6176	0.4589	0.1405
AEMC	0.9251	1.0000	0.7414	0.6509	-0.6071	-0.6775	0.5237	0.0396
HDI	0.6694	0.7414	1.0000	0.4964	-0.6752	-0.7663	0.4181	-0.0355
CPI	0.5839	0.6509	0.4964	1.0000	-0.3541	-0.3491	0.7177	-0.1978
Income1.9	-0.5433	-0.6071	-0.6752	-0.3541	1.0000	0.9591	-0.3305	-0.0514
Income3.1	-0.6176	-0.6775	-0.7663	-0.3491	0.9591	1.0000	-0.3489	-0.0241
EFI	0.4589	0.5237	0.4181	0.7177	-0.3305	-0.3489	1.0000	-0.1457
HTCD	0.1405	0.0396	-0.0355	-0.1978	-0.0514	-0.0241	-0.1457	1.0000

KOF = KOF Index of Globalization; AEMC = AEMC Index of Globalization; HDI = Human Development Index; CPI = Corruption Perception Index; Income1.9 = % of People with Daily Income less than \$1.9; Income3.1 = % of People with Daily income less than \$3.1; EFI = [Economic] Freedom Index; HTCD = Historical Type of Colonization Dummy.

Heldring and Robinson (2013) have classified African countries in three different classes: (1) Those with a centralised state at the time of Scramble for Africa (Berlin Conference 1884-85) such as Benin, Botswana, Burundi, Ethiopia, Ghana, Lesotho, Rwanda, and Swaziland; (2) Those of white settlement, such as Kenya, Namibia, South Africa, Zimbabwe, Angola and Mozambique; (3) Other African countries - colonies which did not experience significant white settlement and where there was either no significant pre-colonial state formation (like Somalia or South Sudan) or where there was a mixture of centralised and un-centralised societies such as in Congo, Nigeria, Uganda and Sierra Leone. It is interesting to note that while human development has in general been better in the first two classes of countries, it has been relatively low in the last class. Accordingly, we have used the dummy 1, 2 and 3 (making the variable HTCD) to classify the African countries. As we find in Table-4 and Table-5, globalization indices are only poorly (though positively) associated with HTCD meaning thereby that type 1 countries (those with a centralised state at the time of Scramble for Africa) have not come much forward to globalize in comparison to type-2 and type-3 countries. This inference remains valid even if we use binary dummies for the historical types. It may be noted that the countries of types 2 and 3 such as Nigeria, South Africa, Angola, Chad, Congo, Tanzania, Zambia, Cameroon and Côte d'Ivoire have attracted sizeable foreign direct investment (Sundaram et al., 2011). Larmer et al. (2008) bring out the case of four southern African countries (Zimbabwe, Zambia, Malawi and Swaziland) where civil societies and social movement actors came forward against the ill effects of globalization such as unaccountable decision-making, profound inequality of access to resources, and an imposed and uniform organizational form that fails to consider local conditions. Social movements in Africa have used the real or perceived socio-economic misgivings of globalization as one of the planks for their struggle (Larmer, 2010).

8. Concluding remarks: This study has used a new method for measurement of the degree of globalization (or construction of a globalization index) based on minimization of the Euclidean norm of the Shapley values, the concept borrowed from the cooperative game theory. It assigns weights to constituent variables such that their mean expected marginal contribution to the synthetic index is as equitable as possible. Since this index is based on combinatorial logic, it is also less likely to be affected by outlier data points. We construct globalization index for 43 African countries (for a time series of 45 years, 1970-2014). The new index has been compared with the KOF index of globalization for the countries under study. It has been found that the index has stronger correlation (vis-à-vis the KOF index) with Human Development index, Corruption Perception index, Freedom index and the indicators of abject poverty in the African countries. Such relationship validates the new index as it represents globalization closely in connection with other relevant socio-economic measures than its rival (KOF index of globalization) as well as it is based on more plausible theoretical premises based on marginal contribution rather than correlation.

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