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The impact of globalization on business and economic development in Zimbabwe

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Abstract

Purpose - This paper objectively analyzes the effects of globalization on Zimbabwe's business and economic development using the Business in Context (BIC) model.

Research design, data, and methodology - We employed a qualitative research methodology, following an exploratory secondary research design in this paper.

Results - The findings reveal that businesses in Zimbabwe have benefited from globalization as it has drawn investments from international companies in the country. In addition, the business sector is benefiting from the economies of scale realized from the investments made by companies in Africa, East Asia, Europe, and America. However, we also discover that globalization has resulted in the proliferation of cheap sub-standard goods and services from East Asia, and has increased competition between indigenous companies and foreign-owned multinationals.

Conclusion - Our findings suggest that globalization has both positive and negative effects on business and economic development in Africa in general, and Zimbabwe in particular. However, we note that the advantages, to a certain extent, outweigh the disadvantages. What, then, could be the way forward for Zimbabwe, in the face of globalization? As a solution, this paper recommends the development of a policy on global associations by the Zimbabwean government, to enhance business and economic development.

Keywords : Globalization, Global Economy, Business, Economic Development, Zimbabwe.

JEL Classifications : F01, F02, F23, F41, M16.

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1. Introduction

Ideally, globalization is about connecting world economies for the benefit of society. It creates a web of closely linked countries that are different in terms of geography, demography, culture, economy, politics, and social issues. The assumption is that interconnectedness of different nations could spark global development. Nations have benefitted from the industrial revolution in Europe. Today, Africa and the West are benefiting from the unprecedented economic growth of China. Technological change has become the profound driver of globalization. In fact, technological development, especially Information and Communication technologies (ICTs) have made the globe shrink to a cybernetic village. The internet has connected businesses across the world. This paper discloses the challenges that globalization has imposed on businesses in Zimbabwe. The country suffered severe economic recession between 2000 and 2009. The standpoint of the paper is that globalization is not wholly negative but has a positive side as well. This paper provides an objective analysis of the effects of globalization on Zimbabwe's business and economic development. Using the Business in Context (BIC) model, it analyzes the impact of globalization on business and economic development in Zimbabwe. In terms of structure, the paper begins with a theoretical framework of globalization. The second section exposes the impact of globalization on economic growth and businesses in Zimbabwe. The Needle (2010) model of business analysis is employed.

2. Objective

The objective of the paper is to carry out an analysis of globalization to establish how it has benefited business and the economy in Zimbabwe. It is however important to note that the globalization process could have both negative and positive effects on business and economic development.

3. Globalisation: A Theoretical Reflection

Globalisation is an abstract and complex concept that is difficult to define comprehensively. The World Bank proffers a standard definition of globalisation as "The global circulation of goods, services and capital, but also of information, ideas and people. It has shaped all of the 20th century, albeit with large cyclical variations and has become and increasingly visible force in recent decades."(World Bank, 2000). Waters (1995) defines it as: "As social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding." It is a multi-facetted concept there is globalization of culture, globalization of the financial and economic sectors etcetera. It brings greater interdependence among countries and their citizens (Carbaugh, 2011 Waters, 1995 World Bank, 2000). In business, globalization implies increased interaction between product and resource markets. Globalization aims to bring about a unitary economic order. Notably, globalization is not a new phenomenon. Globalization began in the late 15th Century when Northern European nations began to exert their values, authority and influence on other nations. It was the late 15thCentury Portuguese Prince II, the Navigator who first sent his captains to explore the world and make a profit out of what they found (McMahon, 2004). When the other Northern European nations saw the profitability obtained from the venture, they followed suit. This later resulted in the scramble for Africa and the seeds of globalization were sown.

Globalisation is not a one-way process but a dynamic dialectical interaction of activities involving the changes aforementioned. Mezulanik (undated: p.625) states that globalisation involves an intermezzo of social, economic and political processes that are overly interlaced leading to interconnectedness of institutional structures. According to Mpofu (2009), "Globalization has also become an umbrella term for a complex series of economic, social, technological, cultural and political changes that are seen as increasing interdependence, integration and interaction between people and companies in different locations".

Developments in Information and Communication Technologies (ICTs) have softened the borders and reduced the globe into a "village" the so-called "global village". This has made possible the easier and cheaper movement and spread of ideas around the world. The barriers to international business are falling as technological advancement increases. It is now much easier for enterprises to expand into new markets. Globalisation involves the liberalisation of trade activities which is catalysed by less emphasis on protectionism (Mercantilism), better international legal frameworks and convergence of consumer cultures thus making the world look like a ‘global village’. It is now less risky to deal with unfamiliar partners due to market liberalisation and digital communication systems. This paper discusses the impact of globalisation on economic growth and businesses in the Zimbabwean context.

A number of authors have attempted to conceptualize globalization from different perspectives (see for example Al Saleh, 2010; Carbaugh, 2011; Geofrey, 2000 ; Needle, 2010). Krugman & Obstfeld (2009), Palowoda & Thomas (1999) and define globalization, from a marketing perspective, as "the process by which firms operate on a global basis, organizing their structure, capabilities, resources and people in such a way as to address the world as one market". The objective in its purest sense is to serve the global market by maximizing the capabilities and advantages that individual countries have to offer in manufacturing, productivity, research and development capability, market access, attractive interest rates and marketing experience. Furthermore, globalization involves ongoing searches for technology, people and alliance partners from which a globally sustainable competitive advantage (GSCA) can be achieved.

The Organization for Economic Co-operation and Development (OECD) (2010) defines globalizationas "the geographic dispersion of industrial and service activities, for example research and development, sourcing of inputs, production and distribution, and the cross-border networking of companies, for example through joint ventures and the sharing of assets". The International Monetary Fund (IMF) (2012) considers globalization as "the process through which an increasingly free flow of ideas, people, goods, services and capital leads to the integration of economies and societies". From the above definitions, it is apparent that globalization is best thought of as a process that results in some significant changes for markets and businesses to address various business transactions.

As cited by Jones (2005) & Porter (1990) in Needle (2010), the phenomenon of "Globalization" is not new. In fact, it has been creeping on us since the dawn of time; it just has not been so visibly impactful until recent years. The broad macro-economic effects of globalization being experienced today arguably became most identifiable with the end of the cold war, and have only continued their rapid advancement with the development of developing countries and other emerging markets, the establishment of free trade agreements, the creation of the Internet and other ICT improvements, the growing multinational footprint of business, the emergence of the European Community, the stabilizing impact of the Euro on global currency markets, as well as the increased liquidity of more sophisticated and efficient capital markets.

In order to meet increased consumer demand, many businesses are attempting to expand their geographic footprint and extend their value chain to an international level. The impact of globalization on business is best evidenced by the huge proliferation in cross-border transactions. In order to protect yields and maintain competitiveness, businesses are continuing to diversify their footprint as it lowers the beta factor on their investments by spreading risk across a broader market.

4. Methodology

The present paper used qualitative research methodology to answer the questions about the impact of globalization on business and economic development in the Zimbabwean context. It followed an exploratory secondary research design to gather data that provided answers to the question of globalization, business and economic development.

5. Results and Discussion

5.1. The impact of globalization on economic growth and business

This paper analyses the impact of globalization following Needle's (2010) Business in Context (BIC) model. The model states that every business entity comprises of five levels, which are the activities level, the strategic level, the organizational level, the environmental level and lastly the global level. Each of the levels is presented below.

5.1.1. Activities level

This is where innovation, operations, marketing, human resources management, financing and accounting occur. Garrett, Guisinger & Sorens (2000) point out that the information technology revolution has made it very difficult for governments to control cross-border capital movements, even if they have political incentives to do so (see also Muller, Cloete & Badat, 2001). Technological innovations in transport and Information and Communications Technologies (ICTs) have also impacted on businesses and thus economic growth in different ways. It is now easier for people, goods, money, ideas and information to move from one end of the world to another. Garrett et al.(2000) argue that the faster and bigger semiconductors, fibre optics and the Internet have radically cut the costs of transmitting information in the past 20 years. Financiers can literally operate wherever and whenever they like, cutting deals in whatever financial instruments they can dream up. For example in Africa, there are money transfer agencies such as Western Union, Exchange for Free and Money Gram that are used in various business transactions in transferring and receiving money from abroad. These have made national borders invisible. Kerr & Sweetman (2003) comment that due to technological innovations, international financial transactions can be executed in a split second, changing the fate of national economies overnight. Events unfolding in Asia can be beamed into living rooms in Zimbabwe in the course of a few minutes.

Globalization has played a significant role in technological innovations. Zimbabwe does not assemble planes, but because of globalization, the country is enjoying the fruits of this technological innovation. There is no need for Zimbabwean companies to spend money to discover hypertensive drugs, quinine, ARVs, the wheel, computers, cement and other essentials for development. These are already on the global market and Zimbabwe only needs to import the technology. Recently, the United Bottlers Company in Zimbabwe acquired state of the art processing and packaging machinery. This has seen the company retaining its competitive advantage over substitute drinks from abroad. In the absence of inter connectivity of business, each country would have to rediscover the wheel technology, computer technology and so on. There is no doubt that world-development would be hampered in a great way.

The impact of global technological innovation is also evident in the transport sector where although Zimbabwe does not have haulage trucks manufacturing plants, the vehicle market is awash with them. Apparently, most of the haulage trucks are used vehicles from the East and the West. The used vehicles have improved the movement of goods and services to and from Zimbabwe. Put differently, the imported vehicles have kept Zimbabwe connected to the global economy. The challenge is that the used vehicles pose a health problem. Most of the second hand vehicles have gone beyond their recommended lifespan and emit fumes which pollute the air. The problem with the fumes is that some of them are carcinogens. They have a long term effect on the health and productivity of labor.

The advent of the Internet and e-commerce has significantly contributed to the growth of businesses in Zimbabwe by connecting markets all over the world at very minimal costs. According to Garrett et al. (2000), the shrinkage of time and space has been so dramatic and so pervasive that there is essentially nothing that can be done to stop it. It is through technological advancement in business management that Zimbabwean companies are able to produce goods and services for the international market. Bata Shoe Company in Gweru and Monarch Steel in Bulawayo, for example produce goods that are exported to economies outside of the country. Because of globalisation, Zimbabwean companies are able to bench mark their business practice with international standards. Because of advanced technology, businesses in Zimbabwe make use of electronic money transfer systems such as Electronic Funds Transfer (EFT), Telephonic Banking, ATM 'cardless' services, and Real Time Gross Settlement System (RTGS). With the help of mobile phone providers, the development of mobile money-transfer services is becoming popular. For example Eco cash has over a million subscribers (Mandell, 2012) who are using it to send money to relatives and friends and for making payments. Employees and management can transact or communicate on line. We have come to the conclusion that technological changes in the global economy have significantly improved the face of business activities in Zimbabwe.

Globalization has also impacted heavily on the marketing aspect of business activities. This year (2013), a delegation from Zimbabwe went to Malaysia to market its tourism industry. This event has significantly improved the number of tourist arrivals in the country. Such efforts have contributed to the selection of Zimbabwe to co-host the United Nations World Tourism Organization General assembly of August, 2013 in Victoria Falls town. The internet has been widely used in Zimbabwe to inform the world about business opportunities in the country. Examples of such websites are www.swedenabroad.com/.../Business/; www.zimbabwe tourism.net/ and www.thedirectory.co.zw/company.cfm%... The e-business system has connected business in the country with those outside of the country (Mpofu, 2009). Laudon and Traver (2002) define e-business as the digital enablement of transaction and processes within a firm involving information system under the control of the firm." Through e-business, raw materials and machinery have been purchased outside of Zimbabwe. The Zimbabwe United Passenger Company (ZUPCO), National Railway of Zimbabwe (NRZ), the Airforce of Zimbabwe (AoZ), and Air Zimbabwe are 'parastatals'[1] etc. that have benefitted from training, vehicles and equipment from China through the e-business medium. Midlands State University, as a business has undergone massive expansion in terms of construction. Over 78 percent of the building materials were sourced from South Africa and China.

Some of the most common e-business tools used in business organizations in Zimbabwe includes e-mailing, e-learning, e-commerce, e-marketing, and e-auctioning. E-governance has also improved operations of government departments hence cutting the bureaucratic umbilical code that haunted government operations for a long time. The challenge is that attacks on the cybernetics have affected the operations and privacy of some of the business entities. Hackers have stolen security information from banks. For example, Techzim (2013) reported that Metropolitan Bank was hacked in January 2013. The other bank that was reported to have suffered the access of malicious hackers was MBCA. It further reported that the Ministry of ICT's e-Tech website was also hacked. Notably, most business entities in Zimbabwe have adopted the e-mailing system to communicate urgent information and requests both within an organization and outside it. This has replaced the traditional memo system and has resulted in improved communication within organizations. E-business tools are also used to market and sell an organization's products. Business organizations such as Delta Corporation, Econet and so on, have created websites where they advertise and sell their products and services. Businesses in Zimbabwe are also making use of e-commerce to source products and new opportunities locally and abroad. "Globalization has brought in new opportunities for developing countries to access developed countries' markets…" (http://economics.about.com/od/globalisation).

1) "Parastatals"in Zimbabwe refer to government owned companies or public utilities that are established to run strategic production and service provision activities such as electricity, postal services, water, grains

Zimbabwean business organizations have benefited from skills inthe global market. The advent of the economic crisis in Zimbabwe at the turn of the new millennium saw a huge traffic of qualified personnel migrating to greener pastures outside the country. This created a skills vacuum in Zimbabwe. Globalization has allowed the country to import labor from the global market. For instance, Zimplats sourced skilled personnel from abroad to kick start their platinum extraction plant in Chegutu. Zimbabwe's three mobile phone service providers, Econet, Netone and Telecel have engaged mostly Chinese engineers and technicians to erect their base stations. This has resulted in the mobile operator's workforce acquiring new skills without the costs associated with staff development programs. Globalization has also created a window for beefing up the skills levels of the people of Zimbabwe through programmes such as the Presidential Scholarship Fund. Thousands of young men and women have been sent outside the country to acquire skills that are on demand in the country under bilateral human development arrangements. The understanding of the Presidential Scholarship is that these people will one day come back and participate in the development of the country. In the absence of globalization, this might not have been possible.

5.1.2. Business Strategic Level

At the business strategic level, management and leadership, strategy and business ethics take centre stage. In examining the upside of going global, one has to consider the sheer size of international markets as contrasted with the size of the domestic market. The international market offers greater opportunities for growth, which in turn could double, triple or quadruple business revenue. It is for this reason that businesses in Zimbabwe aggressively pursue the goal of going international. In the formulation of business strategies, business managers in Zimbabwe are now looking for opportunities and threats beyond their borders. The Zimbabwean textile industry for example is facing stiff competition from the United Kingdom and Asian countries. This resulted in companies like Cone Textile in Bulawayo closing shop. David Whitehead, a Chegutu based company, is currently under judiciary management due to the slow uptake of its products, and Edgars Stores has significantly downsized in the past three years. On the other hand, Zimbabwe has managed to penetrate the world market in the sale of diamonds, tobacco and some minerals. Due to its involvement in the world market, Zimbabwean companies have greatly improved their business ethics in order to comply with world standards. The bottom line is that globalization it creates an opportunity for businesses to expand revenue streams, diversify risk and increase brand equity.

5.1.3. The Organization Level

The organization level of business includes goals, ownership, organizational culture and size. Most successful emerging markets have been engaged in the systematic reform of basic societal values. These include property rights, legal processes, and published regulations and statues. addition, specific reforms such as privatization of state-owned industry, relaxation of capital controls, and liberalization of rules regarding foreign direct investment are all encouraging growth and investment in businesses. Due to the need to align 'parastatals' with new global trends, the Zimbabwean government has moved to commercializesome of the state enterprises. This has pushed 'parastatals' such as Dairiboard Zimbabwe, Cotton Company of Zimbabwe, Cold Storage Company, Tel One and Net One to operate as commercial entities. The disadvantage is that services to the poor electorate will be out of reach as government-owned companies move from being welfare based to profit making. There is a down-stream benefit of commercialization. Commercialization of the 'parastatals' increases competition, which also improves the quality of goods and services on the Zimbabwean market. Competition compels companies to increase the volume of goods and services on the market, which in turn may reduces the price of goods and services without compromising quality.

Ownership and organizational culture are now major challenges to businesses and their managers in Zimbabwe. A multi-national business environment is more complex with more variables, and so is more difficult to manage. Econet Wireless is a Zimbabwean company that has gone international. The company is now paying fees for many students in Zimbabwe through corporate social responsibility. The expansion of Econet Wireless has resulted in a multi-cultural employment policy. The policy allows employees of many different nationalities, languages, religions and cultures to converge at the company through its different offices across the globe. The multi-cultural employment policy allows world cultures to live in harmony with each other, thus creating an opportunity for a global culture. The challenge with a multi-cultural employment policy is that employees react in quite different ways to incentives and to motivation and it is very difficult to find managers who are sensitive to all these different factors. It is very easy to inadvertently cause offence and de-motivate workers. The Japanese were initially very disappointed with their Thai employees who did not respond well to Japanese methods of building up corporate loyalty and motivation.

Ownership of businesses is no longer confined to the geographical boundaries of states. Most states have legislation which supports ownership of businesses by foreigners. While this is good, it has resulted in the local communities being pushed out of business by foreigners with stronger financial muscle. For instance, Chinese companies dominate the mining sector in Zimbabwe. They also dominate the supply of cheap clothes to the Zimbabwean economy. Most large corporations in Zimbabwe are foreign-owned. Zimplats and Mimosa platinum mines are owned by South Africa's Impala Platinum. Standard Chartered and Barclays banks are both British-owned. A good number of small businesses in Zimbabwe are owned by Chinese and other Asian business people. This situation has raised some concerns from the locals who feel that foreigners are benefitting more than they are. The enactment of the Indigenization and Economic Empowerment Act in 2009 has allowed many Zimbabwean to have a stake in most prosperous business firms in Zimbabwe. This law states that in all business ventures where foreigners have an interest, ownership should be 51% in favor of indigenous Zimbabweans.

5.1.4. The Environmental Level

At the environmental level, globalization influences businesses to varying degrees. It depends on what business one is talking about. If a business sector is subsidized by its government, globalization can only be labeled as a cause. Although the state is regarded as the custodian of the national economy, global events can force a government to revisit its economic policies. According to Mohr &Fourie (1995), the most successful economies are those that have economic links with the rest of the world and are able to compete successfully in international markets. The Global Economy is in a constant state of change and is influenced by variations in the demand for services and products worldwide. For example, the need for raw materials to manufacture products and the necessity to move produce/products to global consumers has forced companies in Zimbabwe to search for raw materials from outside the country. According to Needle (2010), variations in the price and supply of labor, which gave rise to a cheaper workforce in the Far East, has lead some businesses to move their manufacturing abroad to cut their overall costs.

Businesses in Zimbabwe have taken advantage of the improved levels in communication. The global communication network (internet) has allowed companies to outsource tele sales and administration, reducing their costs. Companies in Zimbabwe need not travel to China, or Japan or Europe to purchase vehicles and machinery. They access these companies on the web, negotiate prices and conclude deals within the confines of their offices. Businesses in Zimbabwe owe this convenience to globalization. An understanding of the global business environment is essential to companies in Zimbabwe. For instance, commodity fluctuation has a bearing on pricing of goods and service. As the price of imports rise, companies are able to buy fewer goods. This affects countless businesses throughout Zimbabwe because they may then have to take other measures to obtain necessities to run a business.

Businesses in Zimbabwe have an option of outsourcing and off-shoring in order to make up for any incremental loses. Out sourcing refers to the act of contracting a different company to supply goods and services that are required by the outsourcing company. The tender system is used in Zimbabwe to identify suitable companies for sub-contracting. The rules and regulations governing out-sourcing or sub-contracting are put in place by the Zimbabwe Tender Board. The regulations and procedures guard against unethical practices. Off-shoring is where an outsourcing contract is signed with a company that is not registered in Zimbabwe. According to Needle (2010), outsourcing is commonly known as sending work to an outside provider in order to cut costs. Considering the fact that Zimbabwe has not fully recovered from the recent economic recession, many struggling businesses may have to begin outsourcing to keep the companies functioning in this difficult economy. However, outsourcing and off-shoring have both benefits and misfortunes related to them. Needle (2010) goes on to say that outsourcing and off-shoring arelooked upon as a way to save money, mainly due to lower labor costs. It is also viewed as a way of expanding recognition and competitiveness. Benefits to the home firm include lower labor costs, the displaced workforce can move to jobs of higher value, an increase in the market for the home industry and creation of new jobs. The negativity lies in the fact that there is unemployment at home when operations are moved abroad, skilled workers maybe forced to move to lower jobs and product standards may go down due to a lack of control by the home firm.

5.1.5. The Global Level

At the global level a firm focuses on how it interacts with the whole world and places less emphasis on national boundaries and geographical barriers. These boundaries are broken by the Internet, telephone, mobile phones, electronic fund transfers and air travel. Hellriegel and Slocum, Jr (1989) argue that a global strategy stresses operating with consistency, standardisation, and low relative cost. Subsidiaries in various countries are highly interdependent in terms of strategy and operations. This point is corroborated by Johnson, Scholes & Whittington (2011) who argue that costs can be reduced by operating globally. They go on to say that increasing volume beyond the national market might support economies of scale, both on the production and purchasing and supply sides. Such companies as Nestle -Zimbabwe, from Switzerland, tend to become, therefore, proportionately much more global than companies from the United States of America, which have a vast market at home.

Economies of scale are important in industries with high product development costs. Nestle has set up shop in various countries to cut on transport and storage costs as most of the company's products are perishable. Globalisation is therefore a way of avoiding localised costs. The need to contain costs, assisted by trade policies amongst the various governments, has driven the world towards globalisation. Garrett et al. (2000), comment that governments can still insulate their businesses from external market forces if they so choose. But the "increased opportunity costs of closure" (Garrett et al., 2000), have become sufficiently large to tip the balance in favor of the liberalization of foreign economic policy in country after country.

As pointed out by Johnson et al.(2011), a critical facilitator of globalisation is standardisation of market characteristics. The presence of similar customer needs and tastes, for example, the fact that in most societies, consumers have similar needs for easy credit has prompted the world wide use of credit cards. The VISA credit card brand has become a common feature in Zimbabwe and is widely accepted not only in Zimbabwe but in the whole world. Local banks such as Standard Chartered Bank, Barclays Bank, FBC Bank and Stanbic Bank produce VISA branded credit cards that are also accepted in other countries outside Zimbabwe. This is a way of supporting globalisation of companies.

Transferable marketing promotes market globalisation and this has culminated in brands such as Coca-Cola being successfully marketed in very similar ways across the world. Zimbabwe is not an exception and Coca-Cola has manufacturing and bottling plants in Zimbabwe. The success of new economic powerhouses such as the BRIC (Brazil, Russia, India and China) countries is generating new opportunities and challenges for business internationally. According to Hellriegel & Slocum (1989), management stresses each region and nation's uniqueness. They further point out that each overseas subsidiary is somewhat independent and each is a profit centre that is expected to contribute earnings and growth in line with market opportunity. Corporate headquarters then coordinates financial controls and broad marketing policies worldwide.

Johnson et al. (2011) argue that global/international competition has led to global branding, global advertising campaigns and global retailing such as for Coca-Cola whose brand advertising and retailing is similar in all countries where it is produced. The presence of 'globalized'competitors increases the pressure to adopt a global strategy in response because competitors may use one country's profits to cross-subsidise their operations in another country. A loosely coordinated international strategy is vulnerable to 'globalized' competitors, because it is unable to support country subsidiaries under attack from targeted, subsidised competition. Kefalas (1990), in his book entitled Global Business Strategy: A Systems Approach gives a convincing discussion about global competition and how it enhances economic efficiency.

National borders are becoming less and less important. Markets stretch across borders and multinational corporations (MNCs) are well-placed to take advantage of this. MNCs have impacted heavily on most economies. Needles (2010) Kefalas (1990), point out that MNCs have influenced national economies in a variety of ways. He further says that because of their size, most MNCs control much of global production, global resources and money flows. Anglo American Corporation and Coca Cola have had an impact on the world economy. Issues of language and culture arise as consumers are more alike but by no means the same. Many businesses have made expensive mistakes by not taking local variation sufficiently into account. Marketing, in particular, is amine field because of its dependence on language. The marketing books are full of stories, often very amusing, of how businesses got it wrong.

6. Conclusion and Recommendations

Globalization has impacted both positively and negatively on business and economic development in Africa in general and Zimbabwe in particular. It should, however, be noted that this paper establishes that the advantages, to a certain extent, outweigh the disadvantages. Globalization has increased international trade between countries. Increase in trade means increased business and increased business might mean increased revenue. An important outcome of globalization is the increasing interdependence of economies. However, this interdependence has a disadvantage in that depression in one economy also affects other economies. Despite this, one can say that globalization has had positive impact on business and economic development in Zimbabwe. Technological developments in the communication and media industry are helping to spread the globalization concept to all corners of the world. The continuous global trends are affecting all businesses throughout Africa. These global trends cause a constant need to accommodate, which applies more costs and frustration to all businesses. The global effects that people are unaware of are slowly bringing down businesses in this economy. Along with the extra costs incurred from globalization, businesses still have to focus on fulfilling customers expectations in order to improve satisfaction and increase future business. Outsourcing opens doors for many businesses to gain access to a foreign market, but not all businesses can handle and maintain activity in these roughing economies. This paper recommends that economic development in Zimbabwe can be enhanced by embracing the benefits of globalization. A policy on global linkages could be developed to ensure that economic development in the country enjoys direct advantages from globalization. Such a policy could provide a recovery path for the economy that has passed through a crisis between 2000 and 2009.

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