



GSJ: Volume 12, Issue 3, March 2024, Online: ISSN 2320-9186

www.globalscientificjournal.com

THE IMPACT OF GLOBALIZATION ON TRADE AND BUSINESS IN ZAMBIA

Thesis

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October 2023

DEDICATION

This thesis is dedicated to the Almighty Jehovah for the knowledge, wisdom and good health during my entire studies, I also dedicate this work to my Wife, Clare Daka Mwanza and our children Pemba Mwanza, Nelia Chisenga Mwanza, Elidah Mwanza, and Mrs. Martha Kamanga Mwanza and all the Lecturers at UNZA. Thank you all for your support, love and care.

May the Almighty God abundantly bless you.

ACKNOWLEDGEMENTS

I am appreciative to the Almighty God for His grace and favour towards me. My sincere appreciation goes to Mrs. Precious Mubanga and Dr. Joseph Musonda for your patience, guidance, direction and counsel during my entire research.

My appreciation also goes to the Mr Mwelwa for distribution of questionnaires to various institutions their great assistance. I am profoundly indebted to my family and friends (Mary Kaoma Musonda, and Nkandu Musunga,) who gave me all the support I needed to be able to complete the entire program particularly the dissertation.

Abstract

Globalization is a term used to describe how trade and technology have made the world into a more connected and interdependent place. Globalization also captures in its scope the economic and social changes that have come about as a result.

Given the potentially devastating implications of globalisation on African economies and business, many companies have eventually experienced unfair competition that could threaten their performance. Hence, this study adopts triangulation approach to identify the impact of globalisation that are of greatest concern and commonly used techniques to address such challenges among the local companies in Zambia. The quantitative findings show that three key areas of globalisation which are demographic, impact of the local economy, and benefit derived for international trade for local businesses and organisation. While, the qualitative findings indicate that strategic planning, commonly used methods to address emerging risks. Theoretically, the findings contribute to an understanding of globalisation and the techniques used to better benefit for this global village.

Keywords: "globalisation; triangulation; publicly listed companies; international trade; Zambia".

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List of acronyms

ANOVA	Analysis of variance
BOZ	Bank of Zambia
FDI	Foreign Direct Investment
GDP	Gross domestic product
GNP	Gross national product
GV	Global village
IDC	Industrial development Corporation
IMF	International Monetary Fund
MoF	Ministry of FINANCE
RDA	Road Development Agency
UNCTAD	United Nations centre for trade and Development
WTO	World Trade Organisation

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Chapter one

1.0 Introduction

The last twenty years or so Zambia have seen an expanding job of the worldwide financial establishments and, to some extent due to this rebuilding of the worldwide economy, there were gigantic advancements in innovation and interchanges. This load of variables implied that by the 1990s the authority of capital had arrived at its pinnacle. (Times of Zambia,2004)

These quick advancements occurring generally during the 1980s to the present have been labelled as 'globalization', a term that is quickly acquiring currency in depicting the current worldwide financial, social, political and technological structure, pushing toward a coordinated worldwide market, regularly alluded to as the Global Village where everybody is allowed to live, sell and purchase. This interaction of progress and change is the thing that is called Globalization.

At the core of this interaction is the job of technological advancement, especially in gadgets and ITCs for its speed increase. Lately, the formation of a worldwide village has been viewed as the driving force of advancement for both poor people and as of now rich countries of the world.

The idea of advancement could be seen as a state of life as well as an objective to be achieved, and as the ability to develop, change and create. It can likewise be perceived as far as fulfillment of essential necessities, review of imbalances, decrease in joblessness levels, and decrease in neediness levels, etc. (European Commission (1999) Globalization is an overall pattern, through which economies on the planet lose their boundaries and interface with one another.

The companies are no longer imprisoned in their borders and can implement a wide range of business activities around the world. Numerous organizations are available in business sectors all throughout the planet, secured their crude produce or lead innovative work around the world. Exchange boundaries fall and worldwide exchange between nations in labor and products is becoming quicker than homegrown creation. Accordingly, organizations can't bear the cost of the privilege to accept that the accomplishment of the homegrown market will prompt long term profitability (Cullen & Parboteeah, 2010).

However, the underlying eagerness with which globalization has been advanced has not been defended by the substantial outcomes on the ground in Zambia. The economy remains crisis laden, showing little or no signs of stability. The industrial has stayed stale and terminations are generally incessant. By the by, a restricted advantage has been enlisted as far as the advancement of data innovation. The Zambian market has seen the turn of events and dispatching of various Internet specialist organizations, which is a positive improvement for a youthful economy like our own.

Most of these have been able to provide e-mail services as well as Internet-based business to business and business to customer applications. This has facilitated business efficiency among local businesses as well as between those overseas.

1.1 Problem statement

Notwithstanding the enormous parts of monetary globalization that has incorporated the expanding moves of innovation and money to more unfortunate nations and enhancements in by and large usefulness. At the political level there has been the globalization of issues like vote-based system, regard for basic freedoms and great administration overall. Zambia has not had a decent amount as far as progress in exchange and business when contrasted with its adjoining nations like Zimbabwe, Botswana and Tanzania.

Because of the interchanges insurgency, residents in Zambia have not been are presently ready to get data straightforwardly from worldwide exchange in this way prompting low total national output (GDP) in the new years since the introduction of advancement. (Bolton 1992). There are, nonetheless, various basic perceptions that have been made about economic globalization, especially the job that has been played by the worldwide partnerships concerning improvement in exchange and business relations. One such analysis is that globalization has prompted expanded joblessness in both created and helpless nations, and these nations have been compelled to bring down compensation, charges, government assistance benefits, and so forth, especially the helpless nations by worldwide establishments to make them serious.

However, Zambia has not yet experienced sustained economic growth. In the period 1990 to 1999, real gross domestic product averaged only 1% per year.

Agricultural growth averaged - 4.4% and modern development, - 4.3%. In 1996 and 1997, genuine GDP developed by 6.5% and 3.5%, separately. In 1998, it enrolled negative development of - 2%. At long last, in 1999, it enrolled 1.3% development. Declining copper yield has added to generally speaking poor performance. As indicated by the IMF and IDA (2000), this tumbled from 400,000 metric tons in 1992 to 240,000 metric tons in 1999. Lately, Zambia's situation in the worldwide economy can for the most part be depicted as minor. Subsequently to the need to discover the effect that globalization has had on exchange and business climate in Zambia respectively.

1.2 Objectives of the study

The research has four main objectives as defined below:

- 1.2.1 To find out the impact of globalisation on trade and business in Zambia
- 1.2.2 To assess the benefits of globalisation on Zambia's trade policy and business
- 1.2.3 To suggest measures needed to integrate globalisation into Zambia trade and business environment.

1.3 Research questions

- 1.3.1 What is the impact of globalisation on trade and business in Zambia?
- 1.3.2 What are the benefits of globalisation on Zambia's trade policy and business?
- 1.3.3 To suggest measures needed to integrate globalisation into Zambia trade and business

1.4 Definitions and Key Concepts

Globalisation: Globalization is an overall pattern, through which economies on the planet lose their boundaries and interface with one another.

Global Village: Global Village where everybody is allowed to live, sell and purchase.

Privatization: The transfer of public limited companies into private hands.

Global business: This is a business whose exercises are done past the boundaries of their nation and here incorporate worldwide exchange and worldwide creation as well as developing assistance exchange regions like vehicle, the travel industry, publicizing, development, retail and mass correspondence.

Industrial restructuring: The arrangement of more useful firms, being them homegrown or unfamiliar claimed, and this brings usefulness increments; notwithstanding, simultaneously, there is the chance of conclusion for different exercises with lower esteem added per worker, which can't manage the expanded wages

International Business and trade: International business alludes to those business exercises which incorporate cross line exchanges of products, administrations or assets between at least two countries.

1.5 Significance of the study

The research will assist with exchanging strategy producers to plan systems on the best way to further develop the business climate that will profit both miniature and full-scale endeavor in the wake of globalization. The huge information in the exploration will add to the generally existing data in the financial exchange and business list for future reference on how best exchange can be improved at both local and international scenes.

The discoveries in the research will help the approach creators to learn transformation gauges once tested by an arising financial topic in the steady business changing climate on the African continent and the world at large.

1.6 Scope of Research

The study will be conducted in Lusaka district and the research is centred on the impact of globalization on trade and business in Zambia. The focus of the study is mainly on benefits of globalisation in Zambia, Lusaka district and the respondents in the research will be development and business houses, and commerce and industry members. Furthermore, respondents in the research will be various economic player institutions staff and management, the public (micro finance clients), Management of key industry players like Ministry of Finance, National Development, Ministry of Commerce, The Economic Zones, ZDA, IDC and Bank of Zambia.

1.7 Organization of the Research

The first chapter is the introductory section which depicts the overview of the research where background, statement of the problem, objective, research questions, significance of the study, scope and organization of the study are included. The second chapter comprises a review of related literatures. Chapter three deals with methodology which includes, research design, sampling techniques, data source and type, data collection techniques, analysis and presentation.

Chapter Two

Literature review

2.0 Introduction

Globalisation is a multi-dimensional interaction including principal financial, political, and social changes. The worldwide economy has progressively been rebuilt to adjust to Neo-liberal financial beliefs of the unregulated economy and predominance of the private area over the public area. The finish of the cold war and the breakdown of socialism in Eastern Europe and the previous Soviet Union have made adequate space for the worldwide execution of the neoliberal plan of privatization, liberation, decrease of government's job and their uses, and progression of the worldwide market. This plan has obscured the financial system of the past time dependent on Keynesian monetary precepts of state intervention and welfare capitalism.

What then is the impact of neo-liberal capitalism on welfare? Adam Smith, the author of the classic text, *The Wealth of Nations* accepted that the "imperceptible hand" of the free cutthroat market, joined with specialization, would infuse effectiveness in the creation of products and administrations, in this manner prompting expanded creation and worked on nature of items. The bountiful abundance made, as per Adam Smith, would then spread (stream down) inside countries. Obviously, the idea of private enterprise has changed significantly since Adam Smith's time. However, the assumptions about the benefits of laissez faire capitalism have been retained by neo-liberals whose doctrine undergirds the globalization project.

2.2 International Business and trade

International business alludes to those business exercises which incorporate cross line exchanges of products, administrations or assets between at least two countries. Transactions of economic

resources include capital, skills, people for international production of physical goods or services, such as finance, banking, insurance, construction (Joshi, 2009).

Global business breaks down exchanges that occur across public lines to address the issues of people and associations. These financial exchanges comprise of exchange (imports and sends out) and unfamiliar direct venture (Rugman, Collinson, and Hodgetts, 2006).

As per Ball, global business is a business whose exercises are done past the boundaries of their nation and here incorporate worldwide exchange and worldwide creation as well as developing assistance exchange regions like vehicle, the travel industry, publicizing, development, retail and mass correspondence (Ball, McCulloch Jr., Frantz, Geringer, and Minor, 2002).

2.3 The impact of trade on economic growth at national level

In this section, we will look at whether the exchange exhibitions of a country a characterized area influence its work or added esteem development in this equivalent area in accordance with globalization. Exchange advancement, particularly with extra-European nations, could influence public and local economies.

As the development of the exchange equilibrium can conceal expanded deals to the world on the off chance that they are joined by an equal ascent in imports, remarkably when considering the generally gross sectoral divisions accessible, we likewise ascertain connections with sends out just, in view of the speculation that an increment of deals to the remainder of the world can support financial development regardless of whether it additionally instigates imports.

The intricacy of exchange advancements. To a bigger degree than previously, exchange is presently identified with intra-company's associations. In this specific situation, developing imports for a material firm in a specific nation are not really identified with a financial emergency in the area since this firm is presently represented considerable authority in certain fragments (selling, showcasing, origination, R&D) of creation which are not, at this point in rivalry with the nations which have profited with off shoring. (EU, 2005).

Industrial restructuring, in fact, suggests the arrangement of more useful firms, being them homegrown or unfamiliar claimed, and this brings usefulness increments; notwithstanding, simultaneously, there is the chance of conclusion for different exercises with lower esteem added per worker, which can't manage the expanded wages. Pay increments, at long last, can diminish

the relative benefits of the east, on normal, inside western Europe, performing better compared to the others are the locales which are simultaneously fringe and rural, concerning the weak area.

2.4 Problems associated with globalization Zambian perspective

The Zambian government has a Herculean task to offer appealing and significant duty exceptions to nearby businesses with the goal for them to contend well with these "unfamiliar unloading goliaths". This can be tended to through a completely coordinated bundle of microeconomic changes. The nearby business can't contend well because of high creation. This is additionally compounded by the inaccessibility of most crude materials inside the neighborhood market, subsequently paying much for importation of these through excise duty.

The manufacturing sector was likewise hard hit by the advancement of exchange. The bringing down of tariffs on material items and expulsion of taxes on utilized garments led to huge expansions in imports of recycled clothing from industrialized nations. The Zambian textiles industry has totally closed down. In 1991, Zambia had in excess of 140 material assembling firms, yet by 2002, this number had tumbled to only eight. (www.africanfocus.org, 2004). There are additionally issues with exceptionally modest products crossing the boundary from Zimbabwe, which because of financial insecurity and amazingly high expansion can make merchandise for an expense a lot of lower than adjoining Zambia.

Zambia is viewed as a high danger speculation because of significant expenses in power, fuel and media transmission. The high interest rates on borrowing and unstable macro economy also deter investors. (Times of Zambia,2004).

2.5 Theoretical and Conceptual Framework

2.5.1 Introduction

This chapter explores the theoretical and conceptual framework that was evaluated and embraced for this investigation. In grounded hypothesis, information assortment begins without the development of an underlying hypothetical structure. Hence, this section has fostered the speculations whereupon produce expectations dependent on the series of perceptions that were

made during the investigation. It further blueprints the applied structure that was received to test the information.

2.5.2 Theoretical Framework

The main theories of focus are the Eclecticism, Transformationalism and dependency which highlights the direction of our study.

2.5.2.1 Theory of Eclecticism:

Any mode of production cannot operate in the absence of an enabling regulatory apparatus. There is some sort of administration systems. Administration relates measures whereby individuals' detail, carry out, uphold and survey rules to direct their normal undertakings." It involves more than government. It can stretch out past state and sub-state organizations including supra-state systems too. It covers the full extent of cultural guideline. However, Scholte knows about uncertainty, imbalance and minimization brought about by the current cycle of globalization. Others reject secularist character of the hypothesis, its appearance of the dominion of westernist pioneer pragmatist information.

2.5.2.2 Theory of Trans-formationalism:

This theory has been expounded by David Held and his colleagues. Accord-ingly, the term 'globalization' reflects expanded interconnectedness in political, monetary and social issue across the world making a "shared social space". Given this interconnectedness, globalization might be characterized as "a cycle (or set of cycles) which encapsulates a change in the spatial association of social relations and exchanges, communicated in trans-continental or interregional streams and organizations of action, interaction and power.”

2.5.2.3 Theory of Constructivism:

Globalisation has also arisen because of the way that people have mentally constructed the social world with particular symbols, language, images and interpretation. It is the result of particular forms and dynamics of consciousness. Patterns of production and governance are second-order structures that derive from deeper cultural and socio-psychological forces. Such accounts of globalisation have come from the fields of Anthropology, Humanities, Media of Studies and Sociology.

Constructivists concentrate on the ways that social actors ‘construct’ their world: both within their own minds and through inter-subjective communication with others. Conversation and symbolic exchanges lead people to construct ideas of the world, the rules for social interaction, and ways of being and belonging in that world. Social geography is a mental experience as well as a physical fact. They form ‘in’ or ‘out’ as well as ‘us’ and ‘they’ groups.

They conceive of themselves as inhabitants of a particular global world. National, class, religious and other identities respond in part to material conditions but they also depend on inter-subjective construction and communication of shared self-understanding. However, when they go too far, they present a case of social-psychological reductionism ignoring the significance of economic and ecological forces in shaping mental experience. This theory neglects issues of structural inequalities and power hierarchies in social relations. It has a built-in apolitical tendency.

2.5.2.4 Dependency Theory

Joshi (2005) reliance hypothesis characterizes globalization in association with free enterprise and misuse of work and assets in return of items from the west. In Prebisch's model of advancement as referred to in Reyes, there are three chief focuses to stay away from this reliance to occur. One of the chief focuses is "to control the money related conversion scale, putting more administrative accentuation in financial as opposed to money related strategy and to zero in on tax collection from the public authority for the general public”.

2.5.3 Conceptual Framework

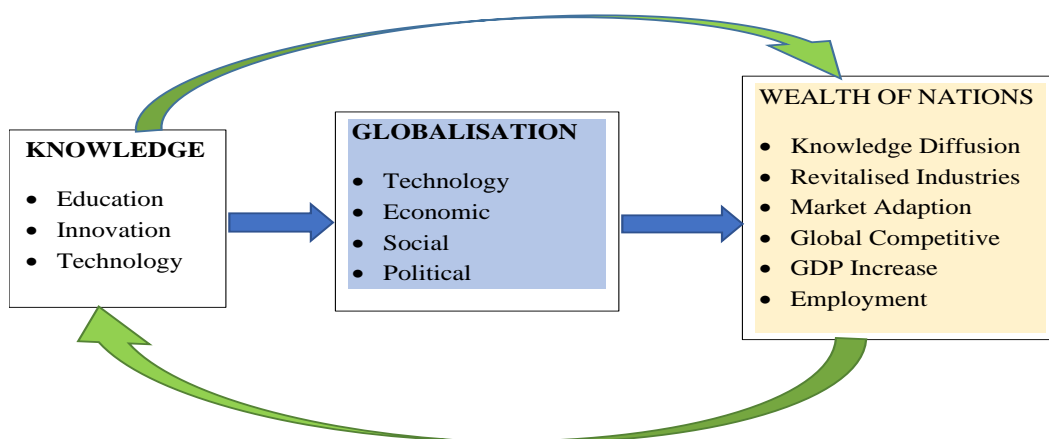


Figure 1. Conceptual Framework

In this conceptual framework, the researcher has idealized that globalisation has a positive impact on wealth creation of Nations. The framework sows the link between the independent variable – the load shedding and the dependent variable, - the productivity of SME's.

Chapter Three

Methodology and Design

3.0 Research Design

The research design will make use of qualitative approach. Qualitative research is inductive in nature and the researcher generally explores meaning and insights in a given situation.

(Straus and Corbin 2008).it is usually referred to as the scope of information assortment and investigation procedures that utilization purposive testing and semi-organized, open finished meetings (Dudwick et al,2006).

Likewise, it is depicted as a viable model that happens in regular setting and empowers the specialist to foster a degree of detail from high involvement in actual experience in the case the future research will be the significance of qualitative research in the current socio-economic condition affected by globalisation.

Qualitative research comprises of the following logic, ethnographic, discourse analysis, case study, comparative method, introspection, focus group and historical research respectively. Therefore, research design will make use of descriptive statistics, interviews, archival data will be collected in order to implement qualitative best practices and then in-depth analysis will be used to bring about the desired outcomes of the research in business management.

Qualitative methods have the ability to make invisible, visible and can likely reduce the likelihood of probable or existing confrontation, therefore qualitative analysis and its ability to structure the profile of discourse allows us to identify the potentiality of agreement, in other words qualitative research is the key mechanism for addressing potential conflicts in the implementation of a major idea, policy and project such as business and trade in the light of globalisation.

Triangulation will be used at some point that will require combining qualitative and quantitative techniques using analytical skills such as analysis of variance (ANOVA) and regression analysis. In addition, the research will make use of qualitative research as the main interest will be the stake holders who have the beliefs, experience and meaning systems of how international trade and business operate in the wake of globalisation.

Therefore, in a quest to address issues surrounding the creation of a detailed research project it will be imperative to apply two useful tools. The face-to-face structured interviews and the multiple choice of open-ended questionnaires to allow the participants to develop the free will to answer question with much freedom. With these variables in mind will be very easy to aggregate the objectives of the proposed research project in terms of values, concerns and motivations reflected in the research discourse.

The questionnaire, would sought to impact the diverse perceptions about the topic and secondly collect assessment regarding the discussion. The qualitative data from the responses will ensure that are analysed through content analysis by way of identifying key trends coincidence or not selected between stakeholder's demands.

In considering the information for analysis, the first step will be to collect useful information for analytical process by identifying those snippets that provide some key relevant information. This will be a desk review using descriptive statistics from Central Statistical Office (CSO), Zambia Development Agency, Ministry of Finance and National Development. The next step will be to encode this information in order to make an internal or external comparable analysis. Codification is the process in which a complex text is simplified in order to extract the meaning clearly.

The major variables are trade in percentage, Foreign Direct Investment and portfolio investment as a percentage of GDP.

3.1 Population

The full set of cases from which a sample is taken is called the population (Saunders et al, 2003). Wegner (2000) also defines population as the collection of all the observations of a random variable under study and about which one is trying to draw conclusions in practice. The population does not necessarily have to be people, it can be items, gadgets, institutions amongst others depending on the nature of research being undertaken. For the purpose of this study and owing to

budgetary and time constraints only the population of Ministries, Bank of Zambia, Development Bank, IDC and COMESA in Lusaka will be considered as representing the entire population from which the sample will be drawn. Therefore, the target population for the purpose of this research is 5 Institutions based in Lusaka.

3.2 Sample Size

In general, a sample size depends on the nature of analysis to be performed, the desired precision of estimates one wishes to achieve, the kind of comparisons that will be made, the number of variables that have to be examined simultaneously and how heterogeneous a universe is sampled (Soiferman, 2010). This is the way in elements of a sample are chosen from a given population. There are basically two types of sampling techniques: Probability / representative sampling and non-probability sampling. For the purpose of this research, simple random sampling will be used, as alluded to earlier a sample of 5 institutions with an average of 400 employees from the institution individuals will be selected and only 200 will be randomly selected.

The researcher will choose simple random sampling for two reasons: firstly, simple random sampling is quite objective in that it gave all the units of the target population an equal chance of being chosen or selected and secondly since the method utilizes random numbers or the computer, simple random sampling allows the researcher to select the sample without bias..

This sample size was large enough to carry out statistical analysis such as regression analysis to statistically determine the impact of globalisation on trade and business in Zambia. The sample size was determined scientifically by using Slovin's formula of sample determination.

$$n = \frac{N}{1 + Ne^2}$$
$$n = 400 / (1 + 400(0.05^2))$$
$$n = 200$$

3.3 Sampling Techniques

According to Wegner (2000) a sample is a subset of the population from which observations are made or measurements taken. Saunders et al (2003) concur also in that a sample is a subset of the population with advantages over a census in that cost, time and resources are less. They also highlight that sampling techniques provide a range of methods that enable you to reduce the

amount of data you need to collect by considering only data from a subgroup rather than all possible elements.

A sample design therefore details how a sample is derived from the target population. Sampling is important and provides an alternative to the entire population when, it is practically impossible to survey the entire population and as alluded to earlier, budget and time constraints prevent the researcher from surveying the entire population hence the choice of using simple random sampling because of its objectivity and its use in utilizing random numbers or the computer, simple random sampling will allow the researcher to select the sample without bias.

3.4 Data collection Procedures

There are two main sources of data and these include, secondary and primary data. In this research though much bias will be on primary data, secondary data sources will also be utilized in order to satisfy the research objectives as well as demystify the whole subject.

3.5 Questionnaire

Questionnaire was used because it provides a chance for participants to objectively give their own opinion and it enables data to be collected over a large area. Questionnaire was chosen as one of the tools to be used in this study which will be answered by the residents. It is chosen because of the nature of this study so as to get opinion and views of the respondents. The questionnaire was self-administered to the respondents by the researcher directly. Respondents replied them on their own free will without any influence from another person and they will be easy to be administered within a short time and from the relatively larger groups of people who may be scattered geographically. The questionnaire enabled the respondent to fill them in at their convenient time in order to reduce bias. Moreover, its results could easily be tabulated and interpreted (Creswell, 2005)

3.6 Validity and Reliability

3.6.1 Instrument validity

Instrument validity refers to the extent to which an instrument measures what it was designed for in a study (Ogula, 1998; Orodho and Kombo, 2002). The researcher will ensure that content is valid by including possible items (observable) that lead to the impact of globalisation on trade.

The researcher will also ensure construct validity by pretesting and retesting with a pilot group of respondents before administering it to the population sample.

3.6.2 Instrument reliability

Mugenda and Mugenda (2009) define instrument reliability as the extent to which a research instrument yields results that are consistent each time it is administered to the same group. In this study the researcher ensured reliability of the questionnaire by using the test-retest method to establish if consistent results can be obtained should it be administered to same sample population. Ambiguous questions will be avoided by posing them in a clear and precise language and consistent results were attained after administering the same questionnaire.

In order to ensure reliability, the research instruments were carefully reviewed to ensure the data collected is accurate and in line with the study. There was uniform coding of data, standardization in administration of tools, and the study ensured to have enough questions.

3.7 Data Analysis Procedures

Data analysis refers to “examining what has been collected in a survey or experiment and making deductions and inferences” (Kombo and Tromp2006). Data was analyzed using a computer package known as Statistical Package for Social Sciences (SPSS). SPSS is of great importance to the study as it reduces errors in the interpretation of data.

The responses was coded and entered into the code sheet to facilitate computation. This helped in establishing, analyzing and interpreting the various relationships between the variables. This therefore necessitated good presentation in graphical form for easy presentation of data. Qualitative data from the interview guides was put into themes and thereafter carefully analyzed manually then the results recorded.

3.8 Ethical Considerations

Saunders et al (2003) say ethics refers to the appropriateness of an individual’s behaviour in relation to the rights of those who become the subject of his/her work or are affected by it. Wells

(1994) define ethics in terms of a code of behaviour appropriate to academics and the conduct of research. The researcher therefore ensured all the respondents that the data being provided were used entirely for academic purposes only. No names of respondents or were recorded or noted for other purposes other than the research. Therefore, the researcher ensured that anonymity and confidentiality of the respondents was observed and maintained throughout the study. Respondents were assured that the information obtained would not be used for any other purpose without the respondent's permission.

3.9 Chapter Summary

Chapter three has outlined the methodology; clearly indicating the type of research design used, the data collection method used, the sampling technique used as well as the methods of data analysis employed. The next chapter therefore presents the results of the analysis of the data that was obtained from the survey.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents results of the study from the data that was collected from various employees and government officials from ministry of commerce trade, bank of Zambia. Central Statistical Office (CSO), Zambia Development Agency, Ministry of Finance and National Development

The chapter starts by first presenting results on the demographic characteristics of the respondents, and then the descriptive analysis results of various factors from the conceptual framework. The chapter then presents statistical analysis results on the impact of globalisation on trade from the Zambian perspective. the key institutions are for the facilitation of trade and other fiscal policies as well as in providing the needed goods and services. Thereafter, the chapter presents measures from the employees' perspective that can help improve trade performance the nation.

4.1 Demographic Characteristics

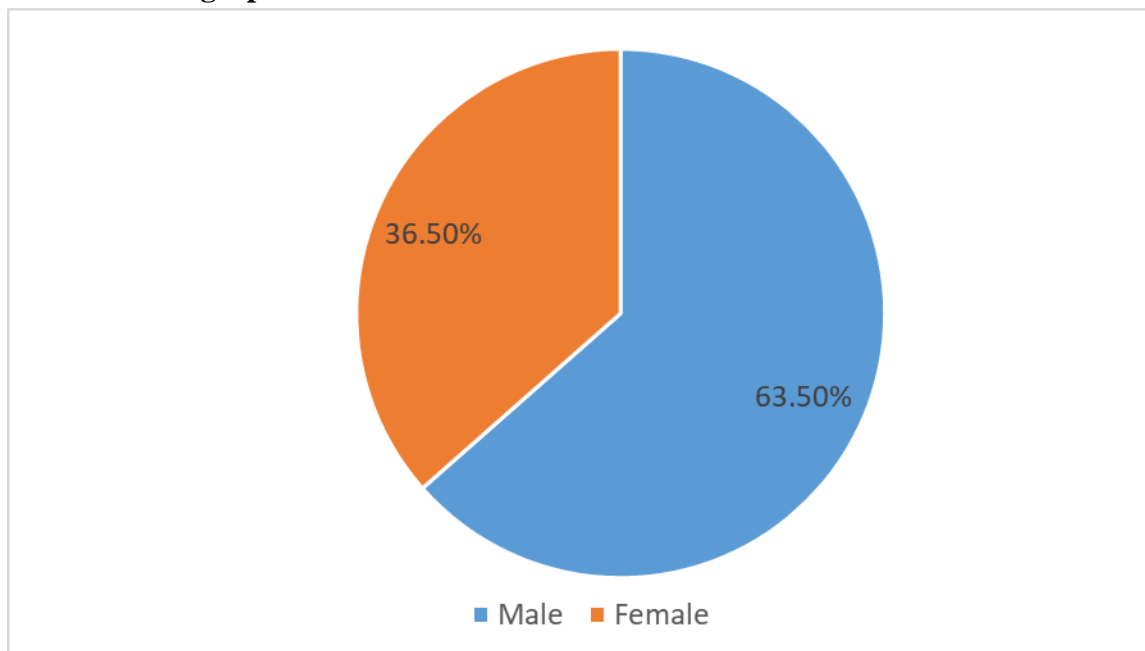


Figure 2. Gender of the Respondents

Table 1. Age Distribution of the Respondents

Variable	Obs	Mean	Std. Dev.	Min	Max
Age	200	38.725	9.462934	23	57

Table 1. presents the age distribution of the respondents; the minimum age was 23 years old, while the maximum age was 57 years old. The mean age was 38.73 years with a standard deviation of 9.4629. Based on the mean and the standard deviation, majority of the respondents were aged between 29 and 48 years.

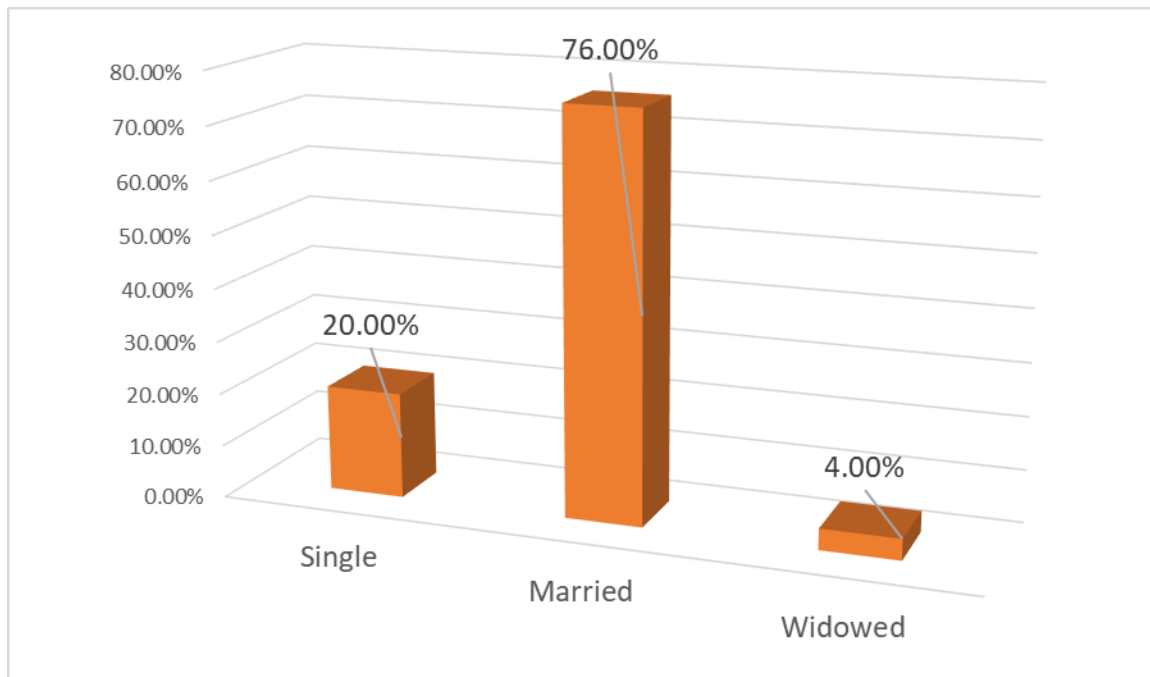


Figure 2. Marital Status of the Respondents

The results in the above figure indicates that 20.0% of the respondents were single, 76.0% of the respondents were married, while 4.0% of the respondents were widowed. The results clearly show that majority of the respondents were married and had the capability to respond issues regarding and industry and how globalization had impacted on commerce especially during the COVID 19 pandemic

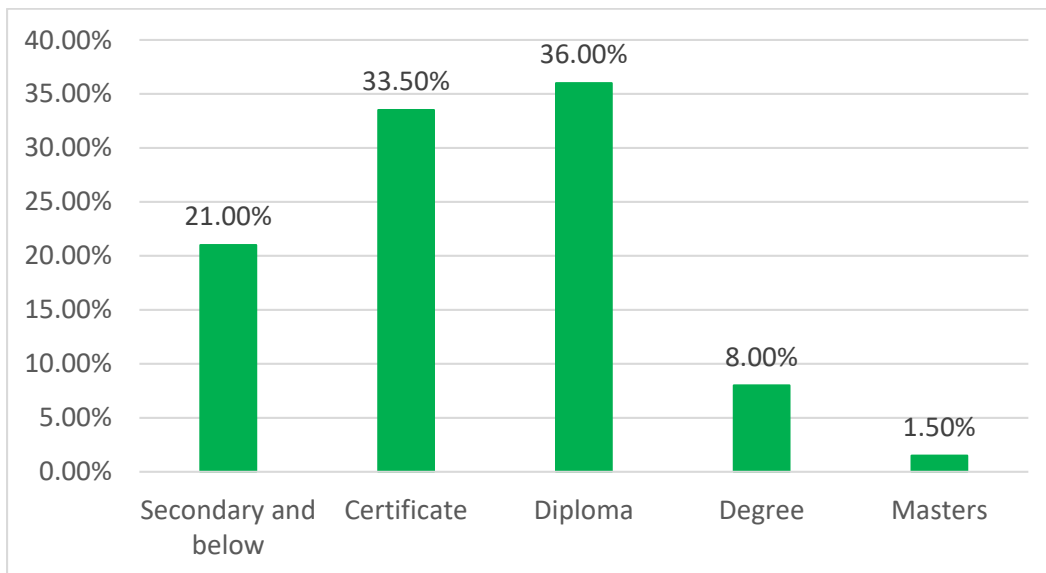


Figure 3. Respondents’ Levels of Education

Figure 3 presents the respondents’ levels of education, and the results indicate that 21.0% of the respondents had attained secondary level and below, 33.5% had attained certificate level of education, 36.0% of the respondents were diploma holders, 8.0% had attained degrees, and only 1.5% of the respondents had attained master’s degrees. This indicates that majority of the respondents had attained diploma and lower levels of education.

Table 2. Respondents’ years of working with within the 5 institutions

Variable	Obs	Mean	Std. Dev.	Min	Max
Working years	200	10.58	6.81954	2	27

The minimum years of working with the various institution was 2 years and the maximum years was 27 years. The mean years of working within the 5 institution was 10.58, and the standard deviation was 6.8195. Based on the standard deviation and the mean, the study concluded that majority of the respondents had experience working within the 5 institutions for more than 5 years.

4.2 Impact of globalisation of trade and business in Zambia

Table 3. Impact of globalisation of trade and business in Zambia

Variable	Yes (Frequency)	Percent
Unfair competition	88	44.00
Undermined trade and business	81	40.50
Increased Skill and Knowledge	82	41.00
Loss of jobs	158	79.00
Reduced local production	90	45.00
Increased corruption	156	78.00
Demand and supply	156	78.00
Political Interference	149	74.50
Lack of equipment in industries	152	76.00

Lack of support system	123	61.50
Misappropriation of fund	83	41.50
Fake cheap goods	90	45.00
Lack of Monitoring	147	73.50

The study obtained descriptive statistics of frequencies and percentages to assess the proportion of respondents who agreed to impact of globalization on trade and business in Zambia. Only 44% (88) of the respondents pointed unfair competition as the major impact of globalization on business and trade in Zambia. 40.5% (81) pointed undermined trade and business personnel, 41.0% (82) pointed that globalization to impact on trade and commerce as it leads to Increased Skill and Knowledge.

79.0% (158) pointed Loss of jobs as human are being replaced by machines in most of the manufacturing industries that have embraced globalization. 45.0% (90) pointed Reduced local production as most goods are used imported from other countries and are cheap, 78.0% (156) increased Corruption as custom official would favour the goods that usually come from outside 78.0% (156) pointed out that globalization has an impact on the aspects of Demand and supply

74.5% (149) pointed political interference. In addition, 76.0% of the respondents pointed lack adequate equipment in industries to increase on production, 61.5% (123) pointed lack of support system meaning the local industries fail to support each other at the expense of the cheap goods from outside, 41.5% (83) indicated misappropriation of funds from the global fund meant for investment and trade. 45.0% indicated fake cheap goods have become rampant as there is no close monitoring by the agents of the state.

73.5% (147) indicated lack of monitoring. These results indicate that poor accountability, lack of good will, corruption, political interference, lack of equipment, lack of support system and lack of monitoring are the factors that impact on the performance of trade and investment in Zambia.

4.3 Benefits of globalisation on trade and business in Zambia

Table 4. Benefits of globalisation on trade and business in Zambia

Number of obs	200
F(13, 186)	4.3900
Prob > F	0.0000
R-squared	0.2347

					Adj R-squared	0.1812
					Root MSE	7.1082
performance	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Open Markets	-4.9699	2.6292	-1.89	0.0600	-10.1568	0.2170
Appreciation of currency	4.4405	5.2011	0.85	0.3940	-5.8203	14.7013
Skill and Knowledge	0.7485	1.1279	0.66	0.5080	-1.4767	2.9736
Advanced technology	-5.2627	1.6515	-3.19	0.0020	-8.5207	-2.0046
Exchange rates	0.8033	1.2045	0.67	0.5060	-1.5730	3.1796
Employment (ICT)	-0.7677	5.4483	-0.14	0.8880	-11.5162	9.9808
Connectivity	2.0804	5.3259	0.39	0.6970	-8.4266	12.5875
Favorable trade	-15.9049	3.6114	4.4	0.0000	8.7802	23.0295
Harmonisation	-7.4501	2.1249	-3.51	0.0010	-11.6421	-3.2582
Cultural exchange	0.7984	7.2983	0.11	0.9130	-13.5996	15.1964
communication	-5.7646	5.1447	-1.12	0.2640	-15.9140	4.3848
Interest rates	1.0908	7.1972	0.15	0.8800	-13.1077	15.2894
Entrepreneurship	-4.5593	2.7467	-1.66	0.0990	-9.9780	0.8594
_cons	53.4332	4.3734	12.22	0.0000	44.8054	62.0611

The study further statistically analyzed the factors to determine which factors affect the performance of the council in providing the needed goods and services. The study found that Open Markets (0.0600 p-value), Advanced technology (0.0020 p-value), Favorable trade (0.0000 p-value), Harmonisation in terms of trade across and among the countries (0.0010 p-value) entrepreneurship skills (0.0990 p-value) were statistically significant and beneficial to Zambia's trade and business as a result of globalization.

4.4 Measures needed to integrate globalization into Zambia trade and business

The study asked respondents on the measures that they thought can help integrate globalization into Zambia trade and business.

After categorizing coding, the responses, the study obtained that 41.67% of the respondents indicated improving accountability in the various government institutions and other stake holders that are involved in trade e.g., the world trade organization involved in order to improve performance.

Other measures put forward will be to secure more equipment and resources for operations, indicated by 19.44% of the respondents. 27.78% of the respondents indicated eliminating red tape bureaucratic procedures on borders and minimize corruption among the customs official manning the trade entry points, and 11.11% indicated employing qualified personnel to deal with trade related activities at the ministry commerce trade and industry through the consumer protection commission as a way to correct the unfair competition between imported and locally manufactured goods respectively. Therefore, it's important for local government through its line ministries to ensure that there's accountability institutions responsible for conducting trade and commerce, secure resources, eliminate corruption and employ qualified personnel.

Chapter Five

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter gives a summary of the findings of the study from the, draws conclusion and makes recommendations. Summary of findings is first followed by the conclusion.

5.1 The impact of globalisation on trade and business in Zambia

Research has revealed that Globalization has had a great impact on the position and role of the state in Africa particularly in Zambia. Perhaps more than anywhere else, the state in Africa has been adversely affected by this phenomenon. However, table 4.3, 73.5% (147) indicated lack of monitoring. These results indicate that poor accountability, lack of good will, corruption, political interference, lack of equipment, lack of support system and lack of monitoring are the factors that impact on the performance of trade and investment in Zambia

The ever-growing role of the global economic institutions in the world economy has greatly undermined trade and business, particularly in the eyes of the African population whose perception of the state is rapidly changing for the worse.

A full appreciation of the crises facing the Zambia as an African state as a result of the changes that have taken place in the past twenty years can only be made by looking at the changing role of the state from the time African countries got political independence.

The Zambia government as at 1964 replaced the colonial governments adopted some form of socialism which provided the ideological framework for the development strategies that they embarked upon on coming to power.

Thus, on achieving political independence, the populations in the individual African countries looked to the state to provide jobs, education and other social Services and overlooked the aspect of globalization and its influence on trade and business as the country participated in the economic affairs of the country, largely through state-owned parastatal organizations.

With the diminishing role of the state in the late 1970s, Zambia found herself helpless in resolving a number of socio-economic problems especially the balance trade and payment and which have directly been linked to globalization itself.

Although it may be argued that globalization creates room for free access to the world market, the truth seems to lie in the assertion that only developed countries benefit from the deal because they put in place protective measures or standards to discriminate the quality and quantity of developing countries' goods and services entering the world market.

It may as well be argued that the benefits of globalization will remain a mirage for Zambia in so far as the UNCTAD and WTO do not act to harmonize and level the playing field.

In Zambia, among some of the negative social effects of the economic liberalization arising from the new economic arrangement, have been massive unemployment and retrenchments. This has largely been because most of the companies are not generating any new employment therefore affecting the business environment (Bolton, 1992)

Globalizations has had huge impact on many firms that are engaged in trade related business, thus signifies that. A number of companies have been privatized have also undergone major restructuring, leading to massive layoffs in the long run affecting the cost of doing business and trade as most of them lack the financial capabilities to compete favorably in the ever changing business environment.

Despite the argument to the contrary, globalization has increased poverty levels in Africa and in part this has been a result of high unemployment levels and the increasing low wages given to the Africans. Also clearly emerging from globalization is the widening gap between the industrialized countries of Western Europe and North America and the poor countries of the South. As has been variously observed capital accumulation and circulation is confined to the countries of the North. In Zambia, globalization has left local industries in an unfair competition with the foreign

The research has indicated through descriptive statistics of frequencies and percentages to assess the proportion of respondents who agreed to various impact of globalisation on trade and business in Zambia. According to table 4.3 Only 44% (88) of the respondents pointed unfair competition as the major impact of globalization on business and trade in Zambia. 40.5% (81) pointed undermined trade and business personnel, 41.0% (82) pointed that globalization to impact on trade and commerce as it leads to Increased Skill and Knowledge. Sophisticated technology which has made them either close or restructure in one way or another and yet still registering stagnation. (Camagni .2008),

Furthermore, the unfair competition has resulted in the undermining of local production and growth in the incidence of dumping mainly for goods from South African and the developed world which are heavily subsidized in their countries of origin.

5.2 The benefits of globalisation on Zambia's trade policy and business.

Though the open market operations and trading in government securities have been carried out, the inflation rate has not responded positively. Given this scenario, production costs have remained high, thereby increasing the end product costs and reducing the demand for the locally manufactured products.

The Kwacha depreciated by over 10% against the US dollar just between November and December 2000 and this negatively impacted on the general level of prices. The monthly inflation rate for December 2000 was recorded at 2.6 %, representing a 0.6 % point increase on the November rate of 2.0 %. Given a context in which investment in local production is made singularly unattractive by unstable exchange rates, high interest rates and sharply depreciating Kwacha, globalisation by open market structure in Zambia has encouraged a trading economy based on cheap imported goods impacting further on locally made goods.

5.3 Measures needed to integrate globalisation into Zambia trade and business

The Zambian government has a Herculean task to offer attractive and meaningful tax exemptions to local industries in order for them to compete favorably with these "foreign dumping giants". This can be addressed through a fully integrated package of microeconomic reforms. The local industry is unable to compete favorably due to high production costs emanating from high fuel, electricity and transport costs. In addition, the research has revealed that Other measures put forward will be to secure more equipment and resources for operations, indicated by 19.44% of

the respondents. 27.78% of the respondents indicated eliminating red tape bureaucratic procedures on borders and minimize corruption among the customs official manning the trade entry points, and 11.11% indicated employing qualified personnel to deal with trade related activities at the ministry commerce trade and industry through the consumer protection commission as a way to correct the unfair competition between imported and locally manufactured goods respectively. Therefore, it's important for local government through its line ministries to ensure that there's accountability institutions responsible for conducting trade and commerce, secure resources, eliminate corruption and employ qualified personnel.

Given this situation, the government needs to review and further rationalize the domestic tax structure. In addition to these measures, the government should facilitate the development of financial markets for the local manufacturing sector to access long term finance.

5.4 Conclusion

Globalization has had both negative and positive impact on trade and business in Zambia.

The benefits of globalization have not been felt to the fullest in Zambia except for the increase in the communication services. Too much emphasis has been on macro-economic sphere rather than on domestic production.

The excessive openness of the market created a dumping ground for goods from South Africa, Zimbabwe and the developed world, killing the manufacturing industry.

The inability by government to control the depreciation of the Kwacha has further worsened the position of the local industry whose production relies much on imported raw materials amidst the unstable exchange rates.

The flow of Foreign Direct Investment that was expected to follow globalisation has not materialised meaningfully.

Capital flight remains a major problem. As long as the super economies of the world continue to deter entry of goods into their markets through tariff barriers, globalization will remain an elusive concept in the development of young economies and continue affecting trade and business in Zambia.

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APPENDIX I - QUESTIONAIRES

Dear Respondent,

RE: The impact of globalisation on trade and business in Zambia

Reference is made to the above subject matter in which I am requesting your participation in this research survey concerning the impact of globalisation on trade and business in This is in partial fulfilment of the requirements for the award of post graduate degree Zambia open university. The information been solicited will help decision makers in making decisions that can help improve the performance of trade and business in Zambia.

Your personal identification either by name or residential address is not required. The information provided in this questionnaire will be used strictly for academic purposes and will ensure that the findings are treated with highest confidentiality and be used for the sole intended purpose. The findings of this study will not be associated with any single person, hence, feel free to respond to all the questions in sincerity. Your time and cooperation is highly appreciated.

Yours Sincerely

NATHAN TYSON MWANZA

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. Gender of the respondent

- 1. Male []
- 2. Female []

2. Please indicate your age in years at your last birthday. Years.

3. What is your marital status?

- 1. Single []
- 2. Married []
- 3. Widowed []
- 4. Divorced []



4. Indicate the highest level of education you have attained?

- 1. Secondary & Below []
- 2. Tertiary Certificate []
- 3. Diploma []
- 4. Degree []
- 5. Master's degree []
- 6. Doctorate degree []

5. For how many years have you been working for local government? Years.

SECTION B: IMPACT OF GLOBALISATION ON TRADE AND BUSINESS IN ZAMBIA

6. Which of the following factors impact of globalisation on trade and business in Zambia

	yes	NO
a. Unfair competition	[]	[]
b. Undermined trade and business	[]	[]
c. Increased Skill and Knowledge	[]	[]
d. . Loss of jobs	[]	[]
e. Reduced local production	[]	[]
f. Increased corruption	[]	[]
g. Demand and supply	[]	[]
h. Political interference	[]	[]
i. Lack of equipment	[]	[]
j. Lack of support systems	[]	[]
k. Misappropriation of funds	[]	[]
l. Fake cheap goods	[]	[]
m. Lack of monitoring	[]	[]

7. Which of the following are the benefits of globalisation on trade and business in Zambia?

	YES	NO
Open Markets	()	()
Appreciation of currency	()	()
Skill and Knowledge	()	()
Advanced technology	()	()
Exchange rates	()	()
Employment(ICT)	()	()
Connectivity	()	()
Favorable trade	()	()
Harmonisation	()	()
Cultural exchange	()	()
Communication	()	()
Interest rates	()	()
Enterprenuership	()	()

8. Because of the challenges facing the council; how would you rate the performance of trade and business before and after globalisation

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9. What measures do you think should be put in place to integrate globalization in trade and business in Zambia

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Thank you for your cooperation