GLOBALIZATION AND NATIONAL ECONOMIC DEVELOPMENT: THE NIGERIAN EXPERIENCE

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Abstract

The paper discussed the relevance of globalization through integration that creates room for increasing interaction of people through the growth of international flow of money, ideas and cultures etc. It stated that globalization involves goods and services, economic resources including capital and technology being moved to other areas. The paper however, postulated that the benefits of globalization have not fully been transmitted to the developing nations due to the fact that globalization itself is a concept being enunciated by the Western nations for their own economic integration and development, while the gap between the rich and poor continues to get wider and wider every day. The paper observed, that if globalization is anything to go by, it has not really affected the growth of the Nigerian and most third world nations' economy. That globalization has not succeeded in using the abundant Nigerian natural resources to push it to the international market. It concluded that whether globalization is good or bad to the African and most third world nations, the experience so far is that there is unequal power and

recognition in terms of international trade between the developed and the developing nations and if this is not controlled it could further increase the level of poverty and underdevelopment in the less developed countries. The paper recommended interalia, that Nigeria and most third world nations should find a way of competing favourably in the global process so as not to be left behind in the field of events and also try to reduce the level of poverty, corruption and underdevelopment.

Keywords: *Economic recovery, Growth, Development, Globalization and Underdevelopment*

INTRODUCTION

Globalization is an economic process which tends to unite and integrate states into global economic system. It creates room for increasing interaction of people through the growth of the international flow of money, ideas and culture etc (David, 2009). The whole essence of globalization is for economic growth and National development especially that of the underdeveloped countries such as Nigeria. Globalization involves goods and services and the transportation of economic resources including capital and technology. Wolf (2014) stated that today the importance and relevance of globalization have not been fully accepted and noticed in the minds of most third world nations especially Nigeria.

There are various reasons why the relevance of globalization has not been fully appreciated among the developing nations and in Africa. Upon the whole noise about globalization and its integration, the experience of the third world nations has remained the same. This is attributable to the fact that globalization itself is a concept which is enunciated by the western capitalist industrialized nations for the purpose of their economic integration and development. Its relevance has not been seriously felt in the third world nations. It is mainly serving the interest of those who credited it. Another reason why the concept has not really been appreciated in this part off the world is because the gap between the north and the south is still very wide. The rich western nations are becoming richer while the third world nations are becoming very poor and even poorer. Igudia (2003) posits that through this concept, many have tried to create some few impact in the third world nations like Nigeria, while the impact and gap between the rich and poor is still very wide and moreover there is nothing serious to show that Nigeria has entered into a global integration of economic development. The truth is that

globalization is still on the advanced countries who coined the concept for their own benefit and growth. The point is that the relevance of globalization has not affected the economic growth of Nigeria. Example is the recent study given by the internet users from the International Telecommunication Union (ICT) (2005) to (2016) estimated the following by regions:

	2005	2010	2016
Africa	2%	10%	25%
America	36%	49%	65%
Arab state	8%	26%	42%
Asia and pacific	9%	23%	42%
Europe	46%	67%	79%

Source: International Telecommunication Union.

From the figure, it showed that Africa is the list and the smallest in the table of places where internet information is available. The truth is that the impact of globalization is yet to be experienced in Nigeria and other third world nations. If globalization is for economic growth and development, why has it not affected growth of Nigerian industry and creates impact on trade transaction and economic growth and development in Nigeria as a state?

STATEMENT OF PROBLEM

According to Abati (2007), and library of congress (2008), the abundant natural resources inherent in Nigeria is capable of making it the most affective state in the sub-Saharan African. Even Nigeria is the sixth largest oil producer in OPEC, with an estimated proven oil reserve of 36.2 billion barrels. Nigeria is the tenth largest in the world, the eight largest exporter of oil and the United States being fifth largest source of its imported oil. Nigeria has limited natural gas reserve of about 182 trillion cubic feet, the seventh largest in the world. The country has a recoverable coal reserve amounted to 209 million short tons (mmst) but produced less than one percent because the coal industry suffers from extremely low productivity and high transport costs (Library of Congress, 2005). This is not the outing one, Nigeria's 75 percent of land is

arable, of which 40 percent is cultivated in 2002, and oil and gas exports accounted for more than 98% of export earnings and about 83% of federal government revenue.

The point here is where is the place of Globalization in this context? One would think that with globalization in the face of these abundant natural resources, Nigeria should heve been actively propelled into the international market and thus reduce or close the widening gap between her and the rich countries.

Today, there is a collapse of basic infrastructure and social services, Nigeria's per capital income has reduced tremendously. Globalization has not been able to help reduce massive corruption in the Nigeria State.

Agriculture has equally suffered much more than other sectors of our economy due to mismanagement and poor policies. Agriculture was formerly the bedrock of the Nigerian economic development but with the discovery of oil in the early 70s, agriculture was abandoned in place of oil. Nigeria is no longer a major export of cocoa, groundnut and palm oil. (National Planning Commission, 2004). Corruption has taken over every aspect of the country's development. According to Arowolo (2004), corruption continues to drain the country's revenue and developmental potential. Moreover, it is undermining the willingness of ordinary Nigerian to endure the pain of economic adjustment. The questions being asked by most economic observers and foreigners are whether in the midst of this economic downturn and failures whether globalization can help change or review the development strategies in Nigeria and whether the perception of Nigerians towards globalization can change to make way for economic development. This is in the backdrop of the fact that people have not really seen positive effects of Globalization in the economic development of Nigeria. This is because globalization which supposed to bring about increasing interaction of people through the growth of the international flow of money, ideas and culture which is more or less an intensification of worldwide interaction and environmental changes have not really been seen in Nigeria and most third world nations. No wonder most of the African Authors like Aluko (2003), have stated that Globalization has failed since it has not been able to reconcile the differences and interests of the economically rich and developed nations with that of the poor and under-developing nations of Africa. In the presence of Globalization, we continue to witness a very wide gap between the rich and the poor nations. Exploitation and corruption continue to grow and increase unabated. Most

of these rich capitalist nations continue to encourage the leaders of these poor countries to siphon the money of their nations and give them safe landing in their countries. The leaders of African countries embezzle and steal money of their countries and send it to them, while the poor people continue to suffer. To them, globalization means corruption enrichment, money laundry and safe deposit of stolen money for safe and secured keeping abroad. A good example is the report of the Nigeria Economic Society (NES, 2003) that most of the Africa and third world trade and contracts with the Advanced countries have caused a decline and collapse of the external purchasing power of the currencies of their governments. It has equally weakened them and their position in international and global economic competitiveness since 1980. Aigbokhan (2003) has also supported Aluko (2003) and concluded that since 1983 and 1986 Nigeria embarked on the restructuring of her economy by joining WTO, the economy instead of improving, the structural Adjustment programme has not helped to reduce the economic downturn in Nigeria. The globalization programmes such as liberalization and deregulation of the economy have succeeded in worsening the Nigerian economic condition. Globalization therefore can be seen as a temporary process of change which underpins a transformation in the organization of human affairs by linking together and expanding human activity across different Nations. The benefits of globalization are only skewed to their rich advanced countries and not the poor nations. To the poor Nations of Africa, one can say globalization presents a temporary show of relief but it deepens the rate of economic exploitation of the poor nations for the benefit of the rich ones.

CONCEPTUAL CLARIFICATION AND ETYMOLOGY

The word Globalization came from the word “Globalize” which is seen to have arrived as an international network of economic programme (Etymology Dictionary 2012). It was also used in 1930 in a publication entitled, “Towards new education” (Oxford English Dictionary, 2009). However, the earlier concept and usage was by Charles Taze Russell who coined the word corporate giants. He was a minister in the watch tower Bible and tract society in 1897, though the concept was used by the economist since 1981 but it did not take a wide acceptance until the 1990s. Recently, credit could be given to Levitt for popularizing and making it to gain wider acceptance. From the 1980s, the term Globalization has become increasingly used as a household term which has generated lot of controversy in the area of definition, explanation and interpretations. For Wolf (2001) globalization is “all those processes by which the people of the

world are incorporated into a single world society". The concept can equally be seen in the area of transformation, cultural practices and tradition. While Gidden (1999) sees globalization as the intensification of worldwide social relational which link distant localities in such a way that local happenings are shaped by events occurring many miles away ordinarily. The term represents a form of widening, deepening and speeding up of global interconnections (Casali, 2004:115). But James and Paul (2005) define Globalization in a direct contextual form as the extension of social relations across world-space. Those in Economics have taken the term to another level. According to Fotoponlos (2001), economic globalization is the opening and deregulation of commodity capital and labour markets that led towards the present Neorhberol globalization. They also identified what they called the political globalization to refer to the emergence of a transnational elite and a phasing out of the nation state.

Mclean and McMillan (1996) have a different meaning of globalization which includes a universal process(es) which generate multiplicity of linkages and interconnections, which transcend the states and societies which make up the modern system". It involves a dramatic increase in the density and depth off economic, ecological and societal interdependency, with density referring to the increased number, range and scope across border transactions and depth to the degree to which that interdependency affects and is affected by the ways in which societies are organized domestically. In order words, it refers to the relationship between communities and states including cultures and how they came to being through geographical spread of ideas and social norms at local and regional levels.

The creation and origin of globalization can be addressed in three main ideas. The first represents how the adaptative and implementation of system principles from the Eastern origin without the ideas from the East. The second idea shows that the interactions among states were not on a global scale but however were continued to Africa and Asian countries, while the third shows the interdependence, stability and regularity and how this mutual relationship affects one another. This is the power and force behind global connection without which trade and globalization would not have come to being.

The old globalization is distinguished from modern globalization from the point of view of expansionism, through trade and information exchange till the annual new commodities including slave trade. The modern globalization came into being around the 19th century as a

result of individual revolution which gave room for the standardization of commodities using economies of scale. By this time, globalization was shaped by the European imperialism on African and Asian nations and increased the rate of goods and services.

Finally, globalization means free movement of goods, services and people across the world in interactive manners. It can be seen as a result of the opening up of the global economy and the resultant increase in trade information and discoveries. Globalization will take place anytime nations decide to open up their economies for increase in trade with other foreign Nations. Recently, Globalization has come to mean when nations decide to open up their economies and liberalize their import duties and allow foreign investment into sectors off their main economy. It could equally come in the area of Liberalization of their Visa protocols and rules so as to permit the free flow of people from one country to another. When these occur, the unproductive sectors may be opened up to investment and the productive sectors to export related areas.

THEORETICAL FRAMEWORK OF ANALYSIS

Looking at the reasons for Nigerian failure in the midst of plenty, Patron-client and Conflict Theories will be more appropriate to analyze this study on globalization and National economic development, the Nigeria experience. The conflict theory according to Otomar (2002) is of the opinion that the society or organization functions in pattern of struggle and conflict in order to achieve its purposes and services. In this manner of struggle, each individual participating in its group struggle to maximize their benefits, which inevitably contributes, to social change, while the Patrol-Client politics according to Coser (1996) is of the opinion that political events are viewed from the ethnic points of view, thereby constraining and aggravating the choice of political elites. The consequence is the intense struggle for ownership and control over the spoil of office. The various nationalities laced unanimity of purpose thereby making policy and ethic consideration pervade policy and political process. In this situation, the struggle and contention will be for the control of the good things of office. This is the reason why majority of the Nigerian citizens are subjected under poverty while the few minorities who constitute the white and godfathers control the wealth of the nation. You can only benefit from the wealth of the nation unless you are close to them (African Report 2006). This is the reason why political process in Nigeria is characterized by corruption and continued electoral

malpractices together with intercommunal clashes and killing of the innocent citizens. The leaders of the Nigerian state because of corrupt enrichment have hijacked the political powers and reduced the rest of the citizens to second class citizens. This is the reason why there is abuse of power and the inability of the state to ensure good governance. The electoral promises are hardly fulfilled, coupled with high level of corruption, bribery, nepotism and the emergence of militants in some regions of the state. The resultant effect is the killing of many innocent citizens in the country. The ruling elite took advantage of the lucrative and large deposit of oil to manipulate the nation's public policy to their own advantage and fortunes. Arolowo (2006) was of the opinion that these problems were responsible for the crisis in the Niger Delta areas where it is believed that the government has taken over $320 billion worth of crude oil in its bowels since 1970 and is one the largest producing oil countries. Infact, the sixth world largest producer of oil in the world while the area they produce this oil has nothing to show for it or has been neglected in terms of serious and reasonable development. The proceeds from the oil is used to develop other parts of the regions in Nigeria. According to Ebuka (2005), the central bank of Nigeria report for the year 2005 stated that Nigeria received up to 99% of its total export revenue from oil, making it the most oil dependent economy in the world. Of the total of $5.547 trillion earned in 2005 according to Ebuka (2005), there was nothing that the Nigeria elite did with money, yet hunger and poverty are ravaging the country and this hunger and poverty have given room for the emergence of many regional militia under different names (Agba & Okeke, 2017).

The liberal point of view was of the opinion that underdevelopment is a stage that has to give way for another state to take place, but in the case of Nigeria poverty, hunger and underdevelopment have continued to strive and grow wings flying in Nigeria. Liberalism believes that politics and economics should exist side by side for the interest of efficiency, growth and development giving room for the consumer or citizens to make choice in the market economy. This view of the liberalism contends that no country should remain in the state of underdevelopment because it is a stage where most countries pass through and become what they are today. It is an experience for managing the market economy so as to achieve greater efficiency and economic growth. If this theory is true, why is it that the Nigeria and most Africa's economy has remained stagnant and underdeveloped over a long period of time with corruption and nepotism being the other of the day. In Nigeria, there is complete lack of respect for the rule of law, lawlessness in many ways are celebrated. According to Lawel (2006), the

former speaker of the house of representative in Nigeria, Honourable Aminu Bello Masari attributes this to the circumstances that led to the emergence of a leader into political power. As he puts it, most of Nigeria leaders and those who commit lawlessness were products of rigged electoral processes. He went on to state that most politicians who rigged their way into power were responsible for the poor performance of some elected officials (Ebiri, 2016).

THE NIGERIAN EXPERIENCE

Globalization tends to increase the number off interactive relations among nations which gives room for the abilities and reduction of the level of import tariffs, renewal of export taxes, export subsidies, elimination of non tariff barriers and devastation of the local currency (Obadan 1990:20). However, this positive benefit notwithstanding, the trade liberalization was what gave room for Nigeria's Structural Adjustment Programme (SAP). This free flow of import was part of what dealt a blow and hindered the growth of local industries in a very serious extent. It affected Nigeria negatively in that it reduced the level of production and brought about serious devaluation of the Nigerian currency without considering its implication to production and performance of the local industries. Many workers lost their jobs and unemployment became very rampant. It never helped the export off local manufactured products but rather facilitated import of all kinds of luxury goods to the disadvantages of the local ones. In terms of integration, some developing countries like Malaysia, Hong Kong and Singapore are more integrated to the world economy than Nigeria (Obadan, 2001). The very poor and non-performance of non-oil export was the major reason for the downward and low performance of Nigeria's share in global export.

Secondly, the truth is that most poor countries like Nigeria cannot involve themselves in this liberation process because they are not properly established to involve or participate and compete in this international competition of the global economy. Nigeria cannot claim to be involved in the sense that it does not produce anything that it wants to sell outside. What has it to compete with other nations in the international market in the absence of oil? The most dangerous aspect of it is that Nigeria as import dependent nation, liberation has tended to ruin domestic industries and destroy supply capacity due to this prohibitive aspect of imported input costs. The danger and most unfortunate aspect of this is that, the liberalization continues to give room for massive importation of foreign made goods to flourish in Nigeria at the detriment of locally

produced ones. Most of the local industries in Nigeria have closed up because of this in flow of the foreign produced ones (Igiebor & Arasomwan, 2017).

This liberation process has not really helped the Nigerian economy to grow. Egonmwan (2000) stated that a report from ILO estimated that in sub – Sahara Africa, the proportion of the population living in abject poverty will increase to over 50% by the year 2010. He went on to state that more than 50% of Nigerians currently live below the poverty line with the closure of most industries as a result of lack of competition with the foreign made ones while most people are out of jobs and unemployment is equally increasing. This kind of trade liberation has not helped the Nigerian economy well.

Most people were off the view that globalization tend to increase level of inequality within and among the countries. It also increases unemployment and threatens the level of standard of living. Some people were of the opinion that globalization and trade liberalization have succeeded in creating debt problems while the global banking has brought increasing impoverishment in the less developed countries through borrowed loans (The south commission report 1990). They were of the opinion that the trade protection policy together with devaluation and removal of subsidies have tended to lower capacity utilization in industries and gradually contributed to the collapse of most industries in Nigeria. Some were of the opinion that globalization can have stagnant effect on the economy, because this protectionisms can have adverse effect and depression on the GDP and development.

Finally, in a corrupt society if globalization is not controlled, it could further increase the level of poverty and underdevelopment. However, it is not all bad and negative, globalization and trade liberalization also have some positive effects (Owenorisiede, 2017).

CONCLUSION

The point here is not whether globalization is good or bad. To Africans and most third world nations the experience so far is that there is unequal power and respect in terms of international trade between the developed and the underdeveloped countries of the world. The argument here is that there is a wide gap between the rich and the poor nations, and this gap continues to get wider and widening every day. Globalization has only succeeded in granting power or handing over power and resources of the nations to the top big nations hence they

themselves continue to remain backward, beggars and visitors at the table of economy. Many of the Africans and third world nations who produce little or nothing at the international market only succeed in becoming a prey to the big ones. Globalization only favours the nations who occupy the advantaged position in the international market. Hence most of the African nations cannot benefit here because they are monoculture with low domestic investment. Nigeria in particular cannot accept its problems because of low export prices, monoculture products and heavy burden on external debt servicing.

WAY FORWARD

However, other factors not withstanding, the truth is that Nigeria cannot close up its doors to globalization and trade liberalization in this modern times, rather what it should do is to try to follow what is lawful and right way like other nations of the world to succeed and participate favourably in the global process so as not to be left behind in the field of events. It should find a way to competing favourably to enhance the growth of its economy and reduce its incidence of poverty, corruption and underdevelopment.

Despite the fact that some like Allege (2004) and the commission report of 1990 have revealed that globalization and trade liberalization create debt problems as a result of global banking which brought increased impoverishment in the south global loan to the south which increased in the 1970s and the borrowed sums have rarely generated long terms viable enhancement of the general welfare. According to this report, the south external debt grew fourteen fold between 1970 and 1994. The present system has not really helped most of the third world countries because the gap between the rich and the poor is still very wide. The Africans should find a way that could increase their economic potentials, using the modern technology that will lead to high value added products for export to the international market that will be beneficial to them (Shafaeddin, 1994).

Another potential factor is for the third world nations to seek a better alternative way of maximizing the benefit of globalization and minimize the risks of destabilization of their economy and promote growth. What we are saying is not to avoid the free trade, but effort should be made to integrate in such a way that the free trade should be on equal trade basis.

African countries Nigeria inclusive that parade themselves with monocultural products, until they move way from this single monocultural commodity act, they can not compete favourably in the international market with this commodity that has very much less percentage in the international market.

The most important factor to tackle before globalization can become meaningful to the third world countries is the issue of corruption; globalization cannot succeed in an environment of massive corruption, increased rate of poverty and underdevelopment.

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