AN APPRAISAL OF THE ISSUES AND IMPACT OF GLOBALIZATION ON THE NIGERIAN ECONOMY

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Abstract

In the world today, we often talk of globalization in various ways like global sports, global warming, global governance, global political economy etc. so that there is hardly any nation that has no connection with globalism whether good or bad. In this paper therefore, the writers defined globalization, examined the issues of globalization as well as its impact on the Nigerian economy. With recommendations made, the paper was concluded by calling for the rapid technical development of the country and also by looking into the education sector by making available the necessary IT tools for our schools to make use of at all levels of our education since globalization can be hampered greatly by slow pace of technological advancement and lack of access to the IT tools.

Introduction

Interaction takes place in space at a given time. People, goods and services and information flows are usually involved in this spatial interaction. Before interaction takes place, there is usually a basis for it. Abler, Adams and Gould (1977); quoting Ullman the geographer said three conditions influenced spatial interaction. These conditions include complementarity, intervening opportunity and transferability. Today, the intensity of this spatial interaction has increased tremendously because of advancement in science and technology.

Spatial interaction can be at the local, national and global scale. Thus, today we talk of globalization in various ways like global warming, global governance, global political economy, global gender relations etc. For proper understanding of this word, it is necessary to look at the meaning of globalization.

What is Globalization

Various scholars have defined globalization in their own various ways. Some of these definitions are given here. According to Akorede (2004), there are four definitions of globalization given by Simon Reich (1998).

The first of these definitions by Reich (1998), quoting Schulte (1995), is that globalization is the public spread across the world. The second definition by Reich also quoting James Rosenau (1996), is that "globalism is the aspiration for an end state of affairs in which value is shared by all worlds more than five billion people, with an interest in collective action, to solve common problems". The third by Reich (1998), was where he quoted Anthony Crew (1990), "That globalization refers to a multiplicity of linkages and interconnections which breaks state barriers, becoming a phenomenon of the modern world system. The fourth definition was by Philip Corny. In quoting him, Reich said, "that globalization redefines the relationship between territorial limitations of authority". Corny said further "that globalization includes a set of economic and political structures and processes deriving from the character of the goods and assets that comprise the base of the international political economy". From these four definitions according to Akorede, it is difficult to say whether globalization is either on historical fact, of a process or a theory or a new paradigm. But one clear thing from these definitions is that it touches on a process that sweeps development across the universe. Apart from these definitions by Reich, Akorede (2004), defined globalization "as the process of rapid economic integration, assisted by the modern process of trade liberalization, investment and capital flow and enhanced by rapid technological, changes and revolutions, which has been witnessed in communication and information"

Agara (2004), said "globalization implies that the world has become a single place, a global village, with geographical boundaries, time and space becoming meaningless. Ebijuwa (2001), quoting Roberson (3992), said "globalization is the compression of the world and the intensification of the consciousness of the world as a whole". Osagie (2002), saw globalization as a process which integrates production, trade and financial intermediation through information and communication technology on a world-wide basis and has implicit opportunities and risks in it. With these definitions of globalization given, the writers will now consider some issues on globalization.
Issues on Globalization

In this section of the write-up some issues on globalization are examined. One of the issues of globalization worth consideration is place. A place is said to no longer matter according to Kofinan and Young (1996), and cited by Ebijuwa (2001). According to Kofinan and Young (1996), as there is more interdependence among human organizations and systems and there is increased movement of people and ideas around the world, the nations should relax their rules and regulations that guide their society for rules and commitments that are global, irreversible and bind all nations together. Thus, in the operation of global economy and culture, place no longer matters.

According to Ebijuwa (2001), it is a well known fact that a place still matters since global activities are articulated and practiced in specific places. He went further to say that it is also known that some developed nations create a new geography of centrality and power as they act as the centre of control and management for the disposal of economic activities.

Another issue on globalization is that it undermines the internal logic of developing African states. The assumption here is that states have their own set of rules. It is these rules that determine the operations of any states which by no means have any privileged status. What is at stake here is not the location of the "trade rules" but what rules are there which will lead to the development of mankind.

The position of trading partners is another fundamental global issue. When two partners who are not equal are involved in trade, one must definitely gain more than the other, although not necessarily.

Marginalization is another issue of globalization often raised. If nations deregulate trade and liberalize their financial markets without taking into consideration the rules and regulations of such nations, this will lead to the erosion of their sovereignty. Although one can argue that when nations come together to negotiate before any agreement as to what to be liberalized or regulated and so the issue of marginalization need not arise. One can also argue that the fact that people come to deliberate before reaching any agreement does not make the agreement or policy arising from such agreement fair.

A contending issue on globalization too is the theoretical disputation among schools of thought. Akorede (2004), recognized three of such schools as the hyper globalists, the skeptics and the transformation list.

The hyper globalists are of the opinion that we live in an increasingly global world where states are being subjected to massive economic and political process of change. They also believe that a single global economy exists at present, which adopts the changing dynamics of modern economy of global capitalism. They also believe that while the authority of the state has territorial limit, the organization, location and distribution of economic power has no territorial limit.

As for the skeptics, they hold the view that the spatial scope of economic success is limited to the developed countries. They are also of the opinion that the world is at present fragmenting into several economic and political blocks within which different forms of capitalism continue to flourish. In fact, they believe nothing is new nor strange.

As for the transformation list, the argument is that globalization is creating a new economic, political and social circumstance which serves to transform state powers and the context in which states operate. They argue too that politics can no longer be based on old established nation state where the welfare of its population may not be catered for by its resources sufficiently. To them, globalization does not denote a shift in the existing or scale of social relations and activities. Globalization involves the spatial reorganization and re-articulation of the economic, political, military and cultural powers. In fact, globalization goes beyond world economic co-operation.

In a similar vein, Agara (2004), also identified three schools of thought as the conservative, liberal and critical. The conservative school of thought argues that social relations are still organized within territorial units with only limited interdependence between sovereign national states but no global fusion. The liberal school of thought believes in the reality of globalization. However, it views it as progressive, necessary and benign.

They believe that globalization is God sent and long overdue. Proponents of the critics-school argue that since globalization lays claim to deterritorialisation and superterritorality there is tr.; probably that exploitation and undevelopment of this section will receive a new lease of life. To then#, globalization will enhance, extend and reinvigorate new forms of cultural and economic imperialism exploitation, underovelopment, military threats and incursion as well as other predicaments that have been factors in the move towards modernity.

Whether or not globalization is working in favour of the economic survival of the nations L= another universal issue about globalization of which the debate is continuing. By linking globalatizer. with economic integration generally leads to convergence with poorer economics growing more rapidly than richer economics." That globalization leads to
convergence was also expressed by Williamson (1996) who maintained that "convergence implies an erosion of the gap between the rich and the poor countries in terms of that gap falling overtime at least in percentage terms" as cited by Akorode (2004).

Having examined the issues of globalization, the writers will now consider the impact of globalization on the Nigerian economy.

The Impact of Globalization on Nigeria Economy

Globalization has affected the Nigerian economy both positively and negatively. The negative impact will be examined here first.

Firstly, it has affected the Nigerian economy negatively because it has led to unemployment, recession and poverty. According to Agara (2004), "with the advantage of better technology' and capital-intensive method of operation available to the developed western countries, third world countries goods and services will not be able to compete favourably thereby resulting in further recession and unemployment and this can only result in more dependency, poverty and backwardness. The unequal competition generated and perpetuated by globalism is the most detrimental dimension of this phenomenon for the less developed countries".

Secondly, it has also led to the adoption of liberal ideology of privatization, deregulation and commercialization. There is no doubt today that the federal government has deregulated the oil sector in particular the downstream sector, with the attendant increase in the pump price of our oil. Added to this is the fact that the federal government is even out now to privatise some of the nation's companies/corporations like the Nigerian Telecommunications (NITEL), Nigerian Coal Corporation (NCC) etc. According to Agara (2004), "privatization has led to the conversion of public monopoly to private monopoly and combined with commercialization, has led to excessive price escalation without corresponding improvement in quality and quantity of services rendered. The outcome is that it has escalated tension in social relations in the third world as this wealth from the public sector- to the private capitalists and by so doing has absolved the public sector of its responsibility towards ensuring social welfare".

Thirdly, it has led to the initiation of the free market principle and adoption of Structural Adjustment Programme (SAP) in the country. The Nigerian economy is now dictated by market forces as the government de-emphasizes its control of the economy with the adoption of a stringent economic policy as SAP in 1986. Rather than the SAP bridge the gap between the rich and poor, it has further widened it. According to Ebijuwa (2001), "SAP simply means removal of subsidies by states-a thing which led to the collapse of several private and public corporations in many African States.

As corporations were collapsing in African cities, especially Nigeria, it led to mass retrenchment from organized sector and an increasing pressure on women and children that dominates the unorganized informal sector"). Instead of the SAP to bridge the gap between the rich and poor, it has widened the gap further.

Fourthly, militarism has been kept alive in the third world countries of which Nigeria is one. Under globalization, new information technologies which have introduced destructive capacities into contemporary battles have caused armed suppression to increase within countries. Agara (2004), said two-thirds of the world's states have used their armies against people they claimed as citizens.

Furthermore, global form of communication has had a negative effect on homes in the third world countries of which Nigeria is one. Agara (2004), quoted the report of the Guardian on line 13th July, 2000, on the face-off between Nigeria's National Broadcasting Corporation and TV Africa as "TV Africa gets free access to our homes through its local affiliates to bombard our children with offensive moral values and life styles which are the main themes of the bulk of its programmes". According to him it was injustice as this dominates the entertainment programme across the third world. Having considered these negative impact of the globalization on the Nigerian economy, the writers will now examine the positive impact on the economy.

One positive impact of globalization on any economy, like Nigeria, is that it has helped to increase the awareness of ecological problems and programmes and hence environmental sustainability. In Nigeria today, through the earth observation/remote sensing satellite, we are able to obtain the image of the earth's surface and from it get information for planning in areas like agriculture, disaster, erosion etc.

Another positive impact of globalization on our economy is that, it draws our attention to worldwide humanitarian concerns by helping us to carry across our borders the campaigns against discriminations against women, disabled and other minority movement. Furthermore, it has helped us to spread our democracy and democratic multi-party system of government across the continents. Having
examined the impact of globalization on the Nigerian economy, some recommendations will now be suggested which if adopted will go a long way in mitigating the negative effects of globalization.

**Recommendations**

To mitigate the negative impact of globalization on our economy, some recommendations are necessary here.

a) By adopting the appropriate technology for the improvement of our goods and services so that they can compete favourably with those from the developed world thereby, stem the attendant recession and unemployment that go with globalization.

b) By making efforts to reduce the tension in social relations arising from the transfer of government's sole of providing social welfare to the Nigerian population.

c) By pursuing the right economic policies that will bridge the gap between the rich and poor than widening it.

d) By ensuring that the National Broadcasting Corporation Censor Programmes that have access to our homes so that they do not have negative effects on our moral values and life styles.

e) By providing the necessary IT tools for use by Nigerian students at various levels of education.

**Conclusion**

In this write-up the writers defined globalization and examined some issues of globalization as well as the impact on the Nigerian economy. Although globalization can contribute to the growth of any economy like Nigeria, but there are risk elements involved as pointed out by Osagie (2002). These risk elements according to him are wrong economic policy framework and policies which constitute the most important risk element in the case of the Nigerian economy. These wrong policies apart from having adverse effects directly on the key sectors of the economy can also have destabilizing impulse on politics and social organization.

Even though these risk elements exist, Nigeria cannot but flow along with the global world since these risks can be minimized by national, sub-regional strategies and New Partnership for African Development (NEPAD) according to Osagie (2002). Therefore since we live in a world of interdependence, no nation can afford to live in isolation. Otherwise if it does, it runs the risk of economy underdevelopment and marginalization in the global world.

If Nigeria is to compete with the rest of the world, it needs to pursue its rapid technology advancement, especially in the area of information and communication technology. There is also the need to look into the education sector of the economy. As of today, the Nigerian students are at a disadvantage when it comes to having access to IT tools for education globally. Furthermore, there are disjointed IT schemes which are in operations in Nigeria (Punch, 31st January, 2001 P. 28).


