

# GLOBALIZATION AND THE NIGERIAN ECONOMY: MATTERS ARISING

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## Abstract

Ever since the tide of globalization cut-up with Nigeria, the country has been marked, by a sharp and disturbing "specter of" poverty, and the erosion of economic and political sovereignty, social and cultural decadence, political instability and religious crisis. These were in part, expressions of general dissatisfaction of the citizens about the internal contradictions of capitalism and the hypocrisy of United States of America and Europe and their major instruments of oppression International Monetary Fund (IMF) World Bank and World Trade Organization (WTO) that have successfully championed the master -- servant relations between the advanced technologies and low level technology countries such as Nigeria. This paper attempts to discuss the historical origin of globalization. The intersection of Nigerian internal policies and international economic trends. It discusses the extent of the erosion of living standards and the sharp decline in national sovereignty, which has accompanied this process of impoverishments. It contends that debt crisis, transnational indices of the internal contradictions associated with globalization. The paper concludes that Nigeria's economic political and social crises were matters arising from a globalized economy over which it has no control.

## Introduction

Optimism is a rare commodity in Nigeria today and at the root of the volatile mixture anger, frustration and hopelessness that one encounters everywhere in Nigeria is a world economic order that systematically ensures (hat as Fidel Castro (1987), put it: the price we pay "as neo-colonies is much higher than the price we paid when we were colonies.

Globalization as it affects (he economies of the third world countries has generated a lot of arguments. This is probably because it constitutes part of the social experience of the people depending on their geographical location and class interests, their interpretations of the processes \ globalization would differ significantly. Nigeria has been a .victim than a beneficiary of the globalization process. Nigeria's economy has been greatly disadvantaged, especially, in the area of trade, investment, finance and production while the big industrial complexes of U. S. A. and Western Europe are growing stronger economically. This state of affairs has been observed by the New Partnership for African Development (2001:7), when it started thus:

In the absence of fair and just global rules, globalization has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance and technology. It has limited space for developing countries to control their own development, as the system makes no provision for compensating the weak. The conditions of those marginalized in this process have worsened in real terms. A fissure between inclusion and exclusion has emerged within and among nations.

It is against this backdrop that one could readily appreciate why the major multilateral institutions at the center of the global economy have been a subject of attack and condemnation. The Seattle meeting of WTO was disrupted in December 1999, followed by that of Quebec in Canada, Gothenburg in Sweden and (he mass rally organized against n world Bank conference in Oslo. Norway in June 2002. Most of these attacks and rallies were under the auspices of (he western based civil society organization.

## Interpretations of Globalization as a Concept

It is pertinent to provide an operational definition of globalization. This approach will enhance our understanding of the main issues involved in this discussion. Elaigwu (2000), sees globalization as the relative liberalization and homogenization of the globe as a result of the technological revolutions since 1940s. This found expression in a widening and deepening of international flows of trade, finance and information, in a single global market. The assumption here is that liberalization would produce the best outcome for growth and human welfare. On the other hand, Adejumbi (2002), recognizes globalization as a complex and dynamic process, which include the economic, political, and

socio-cultural dimensions. As UNDP (2000:1), noted, globalization is a process of integrating not just the economy, but culture, technology and governance. However, the basic and most important element is economic. Economic globalization pre-suppose the widening and intensification of international linkages and interactions in trade, investments and economic policy orientations in the world. In this discussion, globalization will be seen as all encompassing; economic, political and socio-cultural aspects of nation states.

### **Historical Dimension of Globalization**

The 15<sup>th</sup> century voyages of Portuguese along the west coast of Africa marked the beginning of capitalist adventure in Africa. In the same manner, the 1490 adventure of Vasco Da Gama in the West Indies heralded British imperialism in India and Americas.

The Portuguese and Spaniards were the first to establish their dominions overseas. They were followed by the Dutch and the British in India and West Indies. By 1815, French had acquired more than one colony. The British industrial revolution kindled the fire of imperialist penetration into Nigeria and other parts of Africa. The British and French industrial revolution enhanced the emergence of transnational corporations which activities in Asia, Latin America, Middle East and Africa paved ways for the formal colonization of the areas known collectively today, as the third world.

The Berlin conference of 1884, was convened by the imperialist powers to balkanize the African continent into various colonial territories. The mass production of industrial goods and the emergence of giant industrial machines in the capitalist economy needed markets and raw materials as well as human labour outside Europe itself. In fact, for capitalism to stay afloat, it must have to expand and incorporate or subjugate the resources of other areas. Colonialism and imperialism became inevitable stages of capitalist development and expansionism on a world scale.

The colonization of Nigeria and other parts of Africa was a historical penetration of capitalist social, economic and political order into such territories. This penetration did not halt after the attainment of independence but continued in the post independence era.

Indeed, the triumph of the western liberal democracy over the Soviet system opened the way for the intensification of the globalization phenomenon to advance the imperialist agenda for global hegemony. However, the current stage of globalization could be regarded as the increasing (unequal) inter-dependence of the world economy which started more informally during the early 1970s, as the aftermath of the oil shock and which became more formalized as a consequence of the ending of the cold war by 1990 (Fadahunsi, 2000:6).

After independence in 1960, the Nigerian elites adopted an economic philosophy that imposed huge financial burden on the government as a result of huge public expenditure incurred in form of current and capital expenditure by the early 1970s, domestic budget deficits and balance of payments in funding the capital and recurrent projects. The situation was aggravated by the unfavourable external environment for trade and finance. Thus, avenues were created for reliance on loans and aids from world financial institutions such as World Bank and International Monetary Fund. Nigeria's debt crisis is rooted in these loans and aids which have sometimes been known to have been inflated.

### **Matters Arising from a Globalized Nigerian Economy**

No doubt, globalization has promoted the use of computer and communication technology, microchips and fibre optics are converging to promote computer-mediated networks. Integrated services, digital network allow the transmission of even ultrasound scans from a more effective medical evaluation in better-equipped hospitals by specialists. When registered on Internet, subscribers could use for E-mail, file transfer, research and advertising (Batty and Bar: 299 - 712).

The implication of all these, is that actors in the global system who possess these skills also have a head start over those who do not. They can penetrate the boundaries of the nation state and ridicule the sovereignty of nations. Paradoxically, technological revolution has undermined the sovereignty of Nigeria and other African states and equally violated the privacy of individuals and groups.

The visual and airwaves of (the global system are now being dominated by various satellite networks. They transmit programmes across national boundaries, affecting or changing the values and culture of Nigerians. Indeed, the culture of violence transmitted across borders from a country like United States of America has corrupted the values and sanctity of human life in Nigeria. American values and Western values, politics and business are being powerfully transmitted in Nigeria to the detriment of indigenous Nigerian value system. Elaigwu (2000: 3 - 10), has observed that this has enabled America and their western collaborators to set conditions for international trade, membership of multilateral institutions such as the international Bank for reconstruction and development (World

Bank) and the International Monetary Fund (IMF). Globalization, despite its trappings - elimination of all barriers to a single world market, increase in the volume of trade and the expansion of the frontiers of consumption, has placed Nigeria and other third world countries in a subservient position; a position; a situation which has made Nigeria to hopelessly rely on the opportunities provided by the more advanced technology like western Europe and the United States.

The economy of Nigeria is still monocultural and dependent on external markets. Promises of diversification by various administration in Nigeria have not been rigorously pursued. Per-capita income is still very low and electricity supply epileptic and often non-existent for days or weeks. Telephones which like power are important for the acquisition of new technology and information revolution are grossly inadequate and in the case of mobile phones, it is very expensive to acquire by the rural poor Nigeria roads, despite the efforts of (he Federal Roads Maintenance Agency and the defunct Petroleum Trust Fund is still riddled with potholes. Industrial production is gradually becoming a nightmare, as petrol and industrial fuel are in short supply. Despite the taunted strengths of globalization, the gap between the rich and poor countries, between the rich and the poor individuals continue to widen. This, is vividly captured by the former Secretary General of United Nation, Boulos Ghali, when he remarked thus:

The phenomenon of globalization is fraud with risks and a potential source of distress, for the global economy carries with it many dangers. Among other things, it can destroy traditional bonds of solidarity and marginalize countries and even entire regions, further widening the gap between the rich and poor. This situation obviously has its risks. War, exclusion, hatred and ethnic and religious strife always feed on such a climate, and irrational fanatical beliefs are always at hand to offer mistaken solution to people in distress.

As a result of the feelings of frustration and despair, some Nigerians resort to all sorts of unconstitutional means to vent their anger. It is most probable to assume that the spate of ethnic militias springing up across the nation, ethno - religious eruptions. Gangsterism and the destruction of government properties and other essential public utilities at the slightest provocation is their expression and rejection of government policies which is in the main, tied to the string of globalization/liberalization which the government dogmatically pursues.

This paper recognizes the efforts of Nigerian government, especially under president Olusegun Obasanjo in charting new course for Nigeria's development through the introduction of National Economic Empowerment and Development Strategy (NEEDS), National Poverty Eradication Programme (NAPEP), and at the continental level is the new partnership for Africa's Development (NEPAD). But because of its predatory nature and contradictions associated with international capitalism and its institutional framework, these programmes are yet to impact positively on the lives of Nigerians.

### **The Way Forward**

Since the greatest drag on development, at least in the short term, was the trillion dollar debt Nigeria owe to the commercial and multilateral banks, the Nigerian leadership should show more sense of responsibility in asking for more, especially now, that some debt relief had been given to the country.

The activities of NEPAD should be strengthened to give the continent more advantage, especially, on trade agreements, investment and technology transfer.

Nigerian leadership should demonstrate more openness, frankness and responsibility in its anti-corruption initiative. Independent Corrupt Practices Commission (ICPC) should not merely serve as a venue to clamp down on political opponents or those the incumbent perceive as threats to their class interest.

The source resource of the Nation should be more equitably shared among competing units and should not be skewed to favour one geo-political zone. Nigeria's democratization process should not always follow western brand of democracy. It should rather be rooted in Nigeria's values, norms and traditions. The leadership must not strive to impress the United States and Europe, the so called bastion of democracy in order to gain legitimacy or access to power.

Now, that the world has become a 'global village'<sup>1</sup> or 'global factory', the leadership should strive to give more meaning to indigenous skills and technology like United States and South East Asia, have done.

### **Recommendations**

Nigerian leadership should be more cautious in requesting far and collecting loans and aids from the Western European Countries and America. It is important here to reiterate the fact that history does not repair itself. It is only a fool that allows history to repeat itself. It is evident that loans and aids from the developed economies are often inflated to the detriment of the recipients. And quite often than often than not quoted figures cannot be substantiated in the light of available evidence.

Developing economy like Nigeria, should not be deceived by the ranting and chanting of Europe and America on the phraseology 'liberalization'. Absolute liberalization of trade and commerce does not exist in real terms. Both Europe and America still imposes protective tariffs on their productions against competitions from other growing economies like China. Nigeria should invest more on import substitution industrialization.

Priority should be given to diversification of Nigerian economy. More resources should be tailored forward developing the agrarian sector.

### **Conclusion**

It is an inescapable fact that globalization of capital, of markets, business, financial innovation, the end of exchange controls, technology and its impact - all give the human race opportunities for cooperative and for collective solutions to problems that are essentially transnational. However, it has its risks for developing countries like Nigeria that lack the technology of competition in the new global setting.

It-is the position of this paper that Nigeria's leadership should embrace the culture of responsibility and mobilize forces for modernization and development.'

The present Obasanjo's administration should cash in on their present cordial relationship with the United States of America and western institutions to construct a self-reliant, economically and politically independent sovereignty polity. Moreso, regional economic institutions like NEPAD should be monitored closely and supported financially by all countries that ratified its treaty so that it could compete effectively in a reconstructed and human global system. It is only when this is done that Nigeria as an integral part of the global economic system could be free from hunger, starvation, political and social crises.

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