

GLOBALIZATION: REFOCUSING IT TO BE MORE BENEFICIAL TO NIGERIA AND NIGERIANS

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Abstract

This paper is a library research type and it describes globalization as the growing worldwide interdependence of people and countries, the process of ever-increasing global integration of cultures, societies, technologies and economies. The paper is of the view that globalization is not a new thing — it is as old as history of peoples and nations but assumed prominence at the collapse of cold war and the rapid coming of emerging nations. Like many of mankind's projects, it has brought economic advantages to some (the powerful ones) and harm to the weak ones. The paper is of the view that a truly successful globalization should improve the life of every inhabitant of the global neighborhood by addressing the environmental and other problems it has caused promptly. For Nigeria to benefit from its dividends she must restructure by curbing (the incidences of corruption and other forms of indiscipline as well as initiate and implement policies that will minimize the harmful effects of globalization. The paper recommends that liberalization, stabilization, deregulation and privatization should be done with all the uprightness they deserve in order to help Nigeria to benefit from globalization.

Introduction

The constant worldwide flow of people, ideas, news, money and technologies has created a new global neighborhood that can bring benefits. It also helps propagate culture as a result of watching satellite dishes, and people and ideas now move around the earth as never before. Although, our global neighborhood is far from ideal, the process of global integration is irreversible and inevitable. People can neither throw away mobile phones, turn off their sets, destroy their composition, nor stop traveling to other lands. Also nations cannot isolate themselves completely from one another politically and economically.

Awake! (2002:8), maintains that the global neighborhood we have today is like most neighborhoods, far from ideal. It has so many imperfections. Its residents are not all fairly treated; they do not have the same opportunities. Millions are so deprived that they do not even think that they belong to a neighborhood

Another area of concern involves the clashes of culture and the spread of materialistic values. The interchange of ideas is an important feature of globalization and nothing symbolizes this phenomenon more than the Internet, which is not merely used to spread beneficial information, culture and commerce but can also be used to create and spread evils. This means that globalization has both good and negative effects. This paper emphasizes the good side of it and Nigeria could restructure in order to reap from its benefits. The paper is divided into 5 sections of which section one introduces the subject matter. Section two deals with introduction to the concept of globalization; section three treats Nigeria and globalization, section four undertakes to summarize and concludes the paper, while section five deals with recommendations.

Literature Review

Introduction to the Concept of Globalization

Obadan (1995:5) and Statt (1999:62), observed that globalization is the concept that describes the growing worldwide interdependence of people and countries. The process of ever-increasing global integration of cultures, societies and economies has triggered the rise of global business strategies and multinational corporations (MNCs), economic structure, new political imperatives such as economic/financial liberation, privatization, commercialization and the rise of institutional investors.

The authors go on to say that the process of globalization has accelerated dramatically largely due to advances in technology - television, Internet, telephone and Computer. Computers provide means of processing the huge volume of complex and diverse transactions that characterize the global market. Revolutionary changes in the information/telecommunication technologies, have transformed many national and international transactions worldwide. It has stretched and deepened the world liberation of product flows.

In the financial industry worldwide, computer links have enabled investors to access information on asset process at minimal costs on a real term basis. Also, improvements in communication enable investors to follow developments affecting foreign countries and companies much more effectively and have brought significant reduction in costs, including transportation, communication and sports (Eichengreen and Musa 1998:17).

Wikipedia (the free encyclopedia via internet) maintains that globalization is a term used to describe the changes in societies and the world economy that are the result of dramatically increased international trade and cultural exchange. It is often understood to refer almost exclusively to the effects of trade, particularly trade

liberalization. Between 3910 and 1950, a series of political and economic upheavals dramatically reduced the volume and importance of international trade flows. But starting with World War I and continuing through World War II when the Brettonwood institutions were created, globalization trends reversed. In the post World War II with environments fostered by international economic institutions and rebuilding programmes, international trade dramatically expanded. With the 1970s, the effects of this trade became increasingly visible, both in terms of the benefits and the disruptive effects.

Globalization is not of recent origin. Mungo Park, left the shores of Europe to explore the hinterland of Africa in order to expand trade. Sir Francis Drake used to plunder other nations and ships to bring the wealth to the Queen of England. This defines the genesis of globalization and entails the breaking down of separatist regimes. It has evolved overtime but assumes prominence at the collapse of the cold war and the rapid coming of emerging nations.

The two principal forces or stimulants that have facilitated the process of globalization are (i) the development and growth of information and communication technology and (ii) capital mobility and investment flow especially foreign direct investment across national borders. Williams (1997:117), in Inyang (2003: 68), maintains that globalization is marked by trade booms, mass migrations and huge capital flows.

The term "liberalization" came to mean the combination of laissez faire economic theory with the removal of barriers to the movement of goods. This led to the increasing specialization of nations in exports and the pressure to end protective tariffs and other barriers to trade. The period of the gold standard and liberalization of the 19th century is often called "The First Era of Globalization". This is said to have broken down in stages beginning with the First World War and then collapsing with the crisis of the gold standard in the late 1920's and early 1930's.

Globalization, in the era since World War II has been driven by Trade Negotiation Rounds, originally under the auspices of GATT, which led to a series of agreements to remove restrictions on "free trade". The Uruguay round led to a treaty to create the World Trade Organization (WTO), to mediate trade disputes.

Nature and Existence of Globalization

Many others argue (hat the characteristics of the phenomenon of globalization have already been seen in other moments of history -including the increase in international trade and the greater role of multinational corporations (MNCs). The United States global interventionist policy is also a turning point for those who claim globalization has entered a stage of inevitability. Thus, many authors prefer the use of the term internationalization rather than globalization. The role of the state and the importance of the nations are greater in internationalization while globalization in its complete form, eliminates nation states.

The world increasingly shares problems and challenges that do not obey nation state borders, most notably pollution of the natural environment and as such, the movement, previously known as the anti-globalization movement, has transmogrified into a movements for globalization from below; seeking through experimentation, forms of social organization that transcend the nation state and representative democracy.

Characteristics of Globalization

According to Wikipedia (the free encyclopedia), globalization has become identified with a number of trends, most of which may have developed since World War II. These include greater international movement of commodities, money, information and people, the development of technology, organizations, legal systems and infrastructure to allow this movement. Each is explained below:

- Economically, there is the increase in international trade at a faster rate than the growth in the world economy.
- Increase in international flow of capital including foreign direct investment.
- Erosion of national sovereignty and national borders through international agreement leading to organizations like WTO and OPEC.
- Development of global financial systems.
- Increase in the share of the world economy controlled by multinational corporations.
- Increased role of international organizations such as WTO, WIPO and IMF that deal with international transactions. Culturally, there is greater international cultural exchange.
- Spreading of multiculturalism and better individual access to cultural diversity, for example through the export of Hollywood and Bollywood movies. However, the imported culture can

easily supplant the local culture, causing reduction in diversity through hybridization or even assimilation. The most prominent form of this is Americanization, or more generally Westernization, but sinosization of cultures also take place.

- Greater international travel and tourism.
- Greater immigration, including illegal immigration.
- Development of a global telecommunication infrastructure and greater trans-border data flow, using such technologies as the internet communication, satellites and telephones.
- Increase in the number of standards applied globally e.g. Copyright laws and patents.
- The push by many advocates for an international criminal court and international justice movements. Some argue that even terrorism has undergone globalization with attacks in foreign countries that have no direct relation with their own country.
- Barriers to international trade have been considerably lowered since World War II through international agreements such as the General Agreement on Tariffs and Trade (GATT). Particular initiatives carried out as a result of GATT and the WTO for which GATT is the foundation, include:
 - Promotion of free trade of goods.
 - Reduction or elimination of tariff, construction of free trade zones with small or no tariffs.
 - Reduced transportation costs, especially from development of containerization for ocean shipping.
 - Of capital reduction or elimination of capital controls.
 - Reduction, elimination or harmonization of subsidies for local business.
 - Intellectual property restrictions.
 - Harmonization of intellectual property laws across nations.
 - Supranational recognition of intellectual property restrictions (e.g. patents granted by China would be recognized in the US).

There are a number of driving forces behind globalization which include: market forces; competitive advantage decline in trade barriers; technological change; cost factors; environment factors; improved communication; efficient transportation and distribution network; distributed risk, IT development; the media and the spread of English (Bennis, 2005:15).

Beneficial Impact of Globalization

- Supporters of free trade point out that economic theory of comparative advantage suggest that free trade leads to a more efficient allocation of resources with all countries involved in the trade deriving benefits. They claim that this leads to lower prices, more employment and higher output.

Libertarians and other proponents of laissez-faire capitalism say that higher degrees of political and economic freedom in the form of democracy and capitalism in the developed world produce higher levels of material wealth. Worldwide statistics supports globalization because: (i) Life expectancy has almost doubled in the developing world since World War II and

is starting to close (the gap to the developed world where the improvement has been smaller. Child mortality has decreased in every developing country or region of the world.

Income inequality for the world as a whole is diminishing.

Democracy has increased dramatically from none of the nations with universal suffrage in 1900 to 62.5% of all nations in 2000.

Worldwide, the proportion of the world's population living in countries where per capita food supplies are under 2,200 calories per day was 56% in the mid - 1960s, compared to below 10% by the 1990s.

Between 1950 and 1990, global literacy increased from 52% to 81% of the world and women have made up much of the gap. Female literacy as a percentage of male literacy has increased from 56% in 1970 to 80% in 2002. (v) There are several trends for electric power, cars, radios and telephones per capita as well as the percentage of the population with access to clean water.

The Technology Behind Globalization

Awake! (2002:5), maintains that technology has revolutionized communication during the past decades. Access to people and information has become cheaper, quicker and easier because of the following:

- **Television:** Most people in the world now have access to television even if they don't own one. Just a small satellite dish can enable people who live in remote areas to receive broadcast from around the world-- no country can completely cut itself off from global media (Fukuyama 2002:5), in Awake!
- **Internet:** some 300,000 new users get connected to the Internet every week. Friedman (2002:5) maintains that never before in the history of the world have so many people been able to learn so many other people's lives, products and ideas.
- **Telephone:** Wireless networks have made mobile phone as commonplace as the computer. By the end of 2002, there were estimated one billion people using mobile phones and many of these users use their phones to access the Internet.
- **Microchip:** All the above resources depend on microchips. Never before has so much information been stored in so little space.

Apart from the above, there are some international entities that act as the agents of globalization and they include:

- (a) World Trade Organization (WTO) hitherto known as General Agreement on Tariffs and Trade (GATT).
- (b) Brettonwood institutions: The IMF and IBRD and its associates such as IDA, IFC and Multilateral Agencies.
- (c) Regional Economic Groupings such as Organization of American States (OAS), Organization of African States or African Union (AU formerly OAU), European Common market (ECM), West African Monetary Union (WAMU), European Monetary System (EMS), and North Atlantic Treaty Organization (NATO).

Nigeria and Globalization

Africa, of which Nigeria is a part is said to be the origin of globalization because it was from Africa that the first set of human beings migrated to explore new grounds. Rather than jump on the bandwagon of the "Globalaphobes", Africa should lead the way in suggesting alternatives. Nigeria too cannot look at globalization with one eye closed because all the issues are interrelated. She has to look at how globalization should be adjusted rather than how it can be stopped by creating the

necessary and conducive environment for it to thrive. Friedman (2005:15), had this to say:

My concern is that without environment, there is no sustainable culture and without a sustainable culture, there is no sustainable community, and without a sustainable community, there is no sustainable globalization,

Preconditions for Beneficial Global Process in Nigeria

Archibong (2002:20), maintains that for globalization to be beneficial to Nigeria certain conditions must be present and these are:

- The existence of a virile banking system that lubricates the economic processes through effective financial intermediation. The current reform carried out by the CBN Governor, Professor Soludo, is a welcome development in this direction.
- The existence of high premium on enthronement of knowledge, performance and merit. As at now, we as a nation do not believe in meritocracy but in mediocrity and god fatherism. The different enlightenment programmes of the present government are aimed at achieving - meritocracy.

- A liberal system with openness and democratic practices should be initiated, adopted and sustained.
- A virile private sector motivated by moderate profits should be encouraged. The current emphasis on privatization and commercialization of hitherto public enterprises to make them more efficient and cost conscious is a welcome development.
- A vigilant citizenry that keeps the government on its toes should be encouraged. Organized labour, civil/pro-democratic groups, professional group activists and vibrant student unionism are encouraged in Nigeria. These help to sensitize the people to be aware of their rights as well as their responsibilities.
- A growing economy is needed. The Nigeria economy should be efficiently planned and well managed to ensure that its growth -rate is greater than population growth-rate.
- The need to enthrone specific policy measures that will minimize the harmful effects of globalization. These include-stable macroeconomic policies that improve internal balance, ensure internal sector viability and increase the overall rate of economic growth and thereby insulate the domestic economy from disruptive short-term capital flows. There should be reduction in budgetary imbalance through lean but efficient government. Prudent fiscal operations and efficient monetary policy that results in low inflation and positive real interest rate, that is, interest rate should be above inflation rate. A wasteful, corrupt and inept government cannot cope with a modern globalized world.
- Application of appropriate incentives to increase the output and productivity of the real sectors of the economy enable the economy to face the challenge of globalization of fiscal incentives like tax concessions, tax holidays etc to young firms. Infrastructural facilities must be provided to meet the challenges of globalization.
- The global capital market should be gradually opened up in tandem with the growth of the productive sectors of the economy to ensure that inflation is contained and the economy is able to effectively absorb the inflow of any capital of any tenure. Also, the financial system should be strengthened through adequate supervision and prudential regulations to ensure orderly development and internationalization of all sectors of the economy.
- There is a need to open up the economy through discipline that converges with global standards. In Nigeria, we have a lot of black-market/underground economy. This is due to our likeness for undue competition, which leads to distortions in the economy. Openness enhances efficient allocation of resources and reduces wasteful subsidies and insufficiencies associated with control - market discipline.
- Enthronement of good governance at the federal, state and local government levels. In order to benefit from globalization, it is essential to ensure that the rule of law prevails and transparency and accountability are the bedrocks of public administration. All efforts should be made to reduce incidences of corrupt practice.

- * Domestic policy should be made to converge with the trend in the international economy to remain competitive and prevent the incidence of **marginalization**. In other words, to be an active participant in the globalization process, domestic economic policies must not diverge from world trend.
- * Nigeria should deploy enough resources to develop her human capital as new technologies can only be developed through adequate manpower development. Without adequate human capacity development, new frontiers of knowledge required for improved growth cannot be fully explored.
- * Nigeria should focus her globalization strategy on forging economic ties with her immediate neighbours, that is, West African and African countries in subregional and regional arrangement in the first instance.

How Nigeria can Maximize Benefits from Globalization

- Nigeria's monetary policy should aim at maintaining monetary and price stability.
- Fiscal policy should seek to assist in the achievement of macroeconomic stability and internal balance and fiscal transparency.

We cannot function in a global economy without this taking place in our country.

- Trade policy, exchange rate policy and external debt management should aim at improving trade balance through a realistic exchange rate policy and effective debt management. The role of the CBN is paramount in this direction.
- Real sector policies should stimulate domestic production in terms of agriculture, industrialization and extractive sub-sector of the economy to accelerate economic growth.

Implications of Globalization for Nigeria

- Monetary policy: this should aim at maintaining monetary and price stability. The CBN and Ministry of Finance should not create inflation. The supply of money has to be watched because inflation is essentially a monetary phenomenon. Monetary policy has to be watched in order to ensure price stability.
- Fiscal policy: this should seek to assist in the achievement of macroeconomic stability and the internal balance as well as fiscal transparency.
- Trade policy, exchange rate policy and external debt management: These should aim at improving trade balance through a realistic exchange rate policy and effective debt management. Action taken here must take cognizance of the need to manage the exchange rate in a realistic way.
- Real sector policies: these should stimulate domestic production and accelerate economic growth. One of the most important policies -incentive is to create incentives to encourage investment.
- The efforts of the EFCC and ICPC should be intensified and sustained in order to generate confidence of foreign investors, donor agencies and other international organizations and institutions in Nigeria. The two bodies fight corruption and they should be assisted and supported in any way possible.

Summary and Conclusion

This paper takes a look at globalization and how it should be made functional to Nigeria in a world of interdependency. Like many of mankind's projects, globalization has proved both useful and harmful. It has brought economic advantages to some and it has ushered in an era of global communications. Nevertheless, it favours the rich and the powerful over the poor and the needy. Kofi Anan, the UN Secretary-General in Awake! (2002:10), had this to say:

If globalization is to succeed, it must succeed for the poor and the rich alike. It must deliver rights not less than riches. It must provide social justice and equity not less than economic prosperity and enhanced communication.

Recommendations

- Nigeria must restructure to make her economy more functional, dynamic, flexible and responsible to the needs of the citizens as well as the citizens of the global neighbourhood. Effective, coherent and consistent macroeconomic policies must be initiated and implemented to help the economy perform better than it is now. Incidence of corruption, dishonesty and mismanagement of national resources must be reduced to the barest minimum.
- Dibia (2003:322) argued that Nigeria should continue to establish, promote and maintain bilateral economic/political relationship with the rest of the world, actively participate in economic unions, give grant and aid to poorer nations, initiate and engage in peaceful settlement of dispute with her neighbours, participate in peace-keeping operations in Africa and the rest of the world, actively participate in cultural and sporting activities and support and fund liberation movements that have positive intentions.
- A truly successful globalization should improve the life of every inhabitant of the global neighbourhood. Human rights and social equity have lagged behind technical and material progress due to the fact that economic globalization is driven by the desire to make money and the profit -motive rarely takes into account the poor and the disadvantaged. The trend should be reversed. Global governments should help in this direction.
- Global mechanisms for handling global problems are not the only requirements for survival in the global neighbourhood. The commission on global governance argues that the world also needs ethical values because without these, frictions and tensions of living in the global neighbourhood will multiply.
- NGOs and NGEs, the media and Academia should play a major role in sounding the alarm bells whenever needed and urging the beneficiaries of globalization to learn lessons from the past. Rather than undermine globalization, the world should avail itself of its tools to find global solutions to global problems we face today and indeed, even to those local problems for what begins locally may affect people globally in a realm of the borderless-poverty, disease, civil unrest, terrorism, organized crime, environmental degradation, nuclear proliferation etc. which no single state, no matter how powerful it may be, would be able to fall, nor solve on its own.

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