GLOBALIZATION AND ECONOMIC REHABILITATION AND RELIANCE

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Abstract

This paper examines the historical development of globalization and the definitions and applications of some concepts like globalization, economic rehabilitation and reliance, which relate to the paper. It also discusses the features of Nigerian economy, which is characterized by political instability, high rising debt profiles and unemployment. The benefits of globalization to Nigerian economy as a tonic for her industrial, technological and educational development are equally highlighted. Similarly examined are the problems of globalization, which include among others the widening income gap/poor per capita income, crime and terrorism, unwanted travellers, government, inflation and liberalization. The paper made some recommendations; and concludes that globalization possesses the facilities to rehabilitate Nigerian economy by turning it around from the long period of economic tumbling and setting it up in the paths of trade, industries and wealth development and reliance.

Introduction

Education for economic rehabilitation and reliance as a theme for a conference is most welcomed, especially now that Nigeria is in desperate search for her economic survival in a globalizing world. There is a search for economic freedom, minimization of border barriers to make for capital inflow, organization of the country's human capital for internal political and economic stability and otherwise as fundamental issues that can strengthen the foundation for Nigeria's educational system for economic rehabilitation and reliance. Globalization is the great economic event of our era; making us, the people of the earth, one large family. It brings unprecedented opportunities to billions of people throughout the world. As a new epoch, globalization offers new challenges in education for economic rehabilitation and reliance in Nigeria.

This paper treats the historical development of globalization, definitions and applications of some concepts like globalization, economic rehabilitation and reliance, which relate to the topic, features of Nigerian economy; benefits of globalization to Nigerian economy and problems of globalization to Nigerian economy.

Historical Development of Globalization

The idea of globalization is old and dates back to man's first migration from Africa and his subsequent settlement and colonization of other parts of the world some 50, 000 to 100, 000 years ago. Samir Amin as quoted by Wada (2003:2) traced the beginning of globalization to Mercantilist era (1500-1800). Tabotndip (2003:10) supported the above view that the Mercantilist ideology was made by a few countries like USA, UK, France, Germany, Russia, Brazil and India. Again, according to the dependency scholars, the phenomenon of globalization is not a new thing, since monopoly, capitalism and international finance capital have not only been over taking factors of production but equally influencing its revolution around the globe. Wada (2003:2), noted that the current globalization with its unrestricted and unrestrained promotion of liberal capitalism can be dated to the 20th century. In Alubo (2002:1), globalization is seen as a process, which was introduced by Britain and America during the years of Margaret Thatcher and Ronald Reagan and was later to be promoted by other western nations. These countries all promote the supremacy of market forces and its ideology.

Definitions and Applications of Concepts

Globalization: Wada (2003:3) explains that globalization which is at times called internationalization, universalization or homogenization, is a concept that has been defined in various ways by scholars, to the extent that no one definition is universally accepted. This may be because of the way globalization affects not only the economy, but also social, cultural and political spheres of humanity. Globalization, economically is defined by Adejumobi (2002:4) as "widening and intensification of international linkages and interactions in trade, investment and economic policy orientation in the world", noting, however, that the phenomenon of globalization transcends economic matters alone. For this UNDP as quoted by Adejumobi (2002:3) sees globalization as a process of integrating not just the economy but culture, technology and governance. Emphasizing more, Omoweh quoted by Wada (2003:4) defines globalization as "the transcendence of economic, social, cultural, political and environmental constraints across territories." That is, globalization seeks to integrate the economy, political and cultural life of the humanity into one big fold. Wada (2003:4), gives a more comprehensive and all encompassing definition of globalization as "all forces which are turning the world into a global village, compressing distances, homogenizing culture, accelerating mobility and reducing the relevance of political borders. Under this . . . definition, globalization is the gradual villageisation of the world". Globalization in this sense de-emphasizes the existence of borders between nations in the process of achieving its objective. Awake (2002:3) said, "Globalization is the term some use to describe the growing worldwide interdependence of people and countries. This process has accelerated dramatically in the past decade or so, largely because of huge advances in technology". During this, the divisive blocs of the cold war have
virtually disappeared, trade barriers have come down, the world’s major financial markets have been integrating, and travel has been cheaper and easier. This growing worldwide integration has produced a whole series of consequences - economic, political, cultural and environmental.

**Economic Rehabilitation:** According to Hornby (1995:342), Economic means profitable, relating to trade, industry and wealth development and rehabilitation is restoring some body or something to their/its former higher status or position. Helping somebody to have a normal life again after they have been in prison or hospital, for a long time. In case of Nigeria, economic rehabilitation means profitably restoring Nigeria to her former higher status or position or profitably helping Nigeria to have a normal life again after a long period of economic imprisonment or economic sickness. Restoring Nigeria back to the path of trade, industries and wealth development.

**Reliance:** Hornby (1995:560) explains reliance as the state of being dependent on something. However, in the sense of this topic it refers to the economic self-reliance. So, Nigeria would be self reliant in terms of economic independence.

**The Features of Nigerian Economy**

When the Military returned to power in 1983, then the nation's Gross Domestic Product (GDP) had been recording negative growth since 1981 and between 1973 and 2000 and the agricultural sector had plunged into a decline annually, in contrast to an upward growth rate annually between 1965 and 1973 (Ogwuma, 1987:10). He also noted that the export of agricultural products such as cocoa, groundnuts, cotton seed, rubber, palm oil and palm kernel did very badly at this period and that this situation was in complete contrast to the early 1960s when Nigeria was the world's leading exporter of the above named agricultural products. He further observed that by 1984 and up to 1999 the nation became the net importer of groundnuts and groundnut oil, cottonseed, raw cotton and palm oil. The nation's merchandise imports increased at the rate of 13.5 annually between 1973 and 1999 while our annual non-crude oil exports actually decreased by below 6% annually during this period.

This led to re-appraisal of investment programmes, retrenchment of staff in the private sector and re-adjustment and slimming down process in the public sector. These produced massive unemployment, which has continued unabated till date while inflation rate accelerated highly. As Ogwuma (1987:11) noted, the internal and external deficits registered figures of N3.7 billion and N4 billion respectively and in the meantime, crude oil export which accounts for over 90% of Nigeria's foreign exchange earnings came under pressure due mainly to recession and conservation in the consumer countries. By 1983, a back log of trade arrears of about N3.2 billion on documentary credits had built-up while payment arrears in respect of bills for collection and open accounts over £44 billion in the first half of 1983”.

According to Ukpai (1987:8), as at November 1986, the Finance Minister, Chu Okongwu disclosed that Nigeria's external Public Debt obligations stood at US $18.5 billion, including claims yet to be verified and accepted, which has escalated to date. The difficulties illustrated above pushed the Nigerian economy out of gear and led the authorities to accelerate the negotiations, which had earlier on begun with the IMF, the World Bank and other international financial institutions and Nigeria's foreign creditors.

In order to turn round the Nigerian economy from its decline to the path of growth and development, the Federal Government under Babangida, put together a structural adjustment programme (SAP) early in 1986. As Ogwuma (1987:11) says, "the main pillars of this package consist of the following: macro-economic policies - monetary and fiscal policies involving exchange rate management and incentives to enhance the efficient allocation of available resources and promote the productive sector of the economy. Marshalling of optimum flow of resources to the preferred sector, especially agriculture and agro-allied industries, the petro-chemical and the manufacturing sector in order to achieve a rapid structural change; re-definition of the role of government in a manner suitable to our own circumstances and the availability of public sector manpower and financial resources, culminating in the drastic reduction in the extent of public sector ownership and management in key sectors of the economy, particularly known as 'Privatization'. The package involves changes in the regulatory environment to promote entrepreneurship by reducing bureaucratic controls and making the public services more responsive and service-oriented in order to promote efficient application of the means of production. The above survey is indicative that Nigeria is faced with economic uneasiness, when compared with the 1960s through 1978, and needs economic rehabilitation and reliance. The above features of Nigerian economy were compounded by the incessant changes in government without due process, which present the country unsecured for any economic ventures.

**The Benefits of Globalization to Nigerian Economy**

Globalization is a blessing to all nations of the world especially the developing countries like Nigeria. Globalization is to profitably help or restore (economic rehabilitation) Nigeria to the integrated market scene and self-dependent (reliance). According to Tabomdip (2003:5) a few vital areas of progress and development are in view:
Development of Mineral Resources: Nigeria is rich in mineral resources and if fully and efficiently tapped, these resources could be highly rewarding to its economy as well as place it on the global economic market. Then employment will be created to reduce the unemployment rate; export of these resources in large quantities will increase, thereby increasing the Gross Domestic Product (GDP) and the National Income of the nation. Per Capita Income will increase, leading to higher standard of living. Tabotndip stressed that Nigeria will have financial stability that will reduce its debt burden and set it from the dependence on the first world's policy of imposition.

Industrialization: With the wealth development or accumulation of wealth accrued from the international transactions, the nation will be better placed to pursue its industrialization policies to an appreciable rate. Manufacturing industries will be established to make use of the country's natural resources currently exported to other countries of Europe and United States. If Nigeria brings the industrialization process to fruition, then the general severe economic instability will reduce to the barest minimum. Ogbu (2003:6) advocated that industrialization is the bedrock of every nation aspiring to grow economically. This will attract high capital outlays and capital flow into the country to further stabilize the economy.

Technology: Technology has revolutionalized communication during the past decades. Access to people and information - practically anywhere in the world - has become quicker, cheaper and easier. The flow of technological devices into the country, from the market will help Nigerians develop and improve on their technical know-how both individually and collectively. According to Tabotndip (2003:4)) it is amazing that within the past few years, a good many Nigerians are advancing reasonably in computer, telephone (GSM or otherwise), Internet, Television and Micro-chips for individual benefits and the country in general.

Education: Huge capital inflow into the country due to high-level productivity will enable efficient and effective financing of education as a facilitator to growth and development, even in boosting of our educational system with educational materials.

Diversification: Tabotndip (2003:8) said, "With globalization, Nigeria will have the resources to diversify her economy. The idea of over-dependency on a single product, crude oil, has remained one of the greatest problems of the country. Globalization will help the country develop other products in solid minerals, textiles, etc. The end product of this is increase in the volume of exports, increase in the country's foreign earnings and growth of local industries. The impact of globalization on the nation's economy will be tremendous if government will conscientiously implement the necessary economic reforms.

The Problems of Globalization to the Nigerian Economy

Tabotndip (2003:8) opined that Nigeria is a third world nation whose economic peculiarities are different from the rest of the world, hence, globalization of the economic based on practice in a particular region or regions of the world may have negative effects on Nigeria. Some factors that may pose challenges to globalization of Nigerian economy have been highlighted.

The Widening Income Gap/Income Per Capita: The distribution of global wealth has never been fair, but economic globalization has widened the gap between rich and poor. It is obvious that some developing countries have benefited from their integration into the global economy. Experts claim that during the past ten years, the number of people below the poverty line in India has gone down from 39% to 26%, and that Asia as a whole has seen a similar state. Awake (2002:7) said, "one study shows that by 1998 only 15% of the East Asian population lived on $1 a day. comparing with 27% ten years earlier". The global picture, however, is not rosy, in sub-Saharan Africa and some other less developed regions because income has actually decreased in the past 30 years. Adding, Awake (2002:3) emphasized, "the international community . . . allows nearly 3 billion people - almost half of all humanity - to subsist on $2 or less a day in a world of unprecedented wealth". One of the major causes of this huge social divide is financial self-interest. The world over, private financial markets fail when it comes to the very poor. The vast income divide between rich and poor segregates people and even countries from one another. Globalization has also favoured the growth of rich multinational companies that have practically taken over the world market for certain products. In 1998, for example, just ten companies controlled 86% of the $262 billion tele-communications business. The economic clout of these multi-nationals often exceeds that of governments and, human rights and labour rights are not a priority on their agenda. The average income level of Nigerians is comparably very low to patronize the global market. It is worrisome about the concentration of the world's wealth in the hands of a privileged few, and such gross unfairness in the global neighbourhood clearly sows many seeds of unrest and frustration.

Crime and Terrorism: Unfortunately, tools of trade and commerce can easily be converted into tools of crime and terrorism. Money smuggling in a shipment of toy boats; cocaine smuggling - $4 000 000 worth of cocaine found in a recreational vehicle seized at a border crossing; Bioterrorism; soldiers search for anthrax and bombings. These evils were perpetrated through the tools of globalization.
Unwanted Travellers: Diseases as well as people travel around the globe and some of them are deadly. As Awake (2002:9) puts it, "the dramatic increases in worldwide movement of people, goods and illness are the driving force behind the globalization of disease." The world has rapidly become much more vulnerable to the eruption and, most critically, to the widespread and even global spread of both new and old infectious diseases. Despite millennia of epidemics, war and famine, never before history have death rates of this magnitude been seen among young adults, reports the Joint United Nations Programme on HIV/AIDS. Apart from the global spread of AIDS, there are species invasions (Brown tree poisonous snakes from Australia, have almost exterminated the forest birds in Guam), and Water Hyacinth (this plant from South America has spread to over 50 tropical countries), which blocks canals and riverbanks.

Government: Democracy is a globalization facilitator because of its operatives. No stable democratic government no globalization rewards. Has democracy come to stay in Nigeria?

Inflation: Generally, the side effects of globalization in Nigeria—would be inflation, massive devaluation of the nation's currency, increased poverty because Nigeria is not already producing at such a degree as to benefit highly from the global market and as Tabotndip (2003:10) puts it, Nigeria may develop harsh policies like cancellation of subsidies and social services for its nationals as well as go on to privatize, commercialize and unnecessary increases in taxes to boost its National Income.

Liberalization: Over 500,000 jobs, according to Tabotndip (2003:10) have been destroyed in recent times due to trade liberalization associated with globalization, and the victims in these predicaments are women, children, small scale promoters, destitutes and the unemployed whose relations have been thrown out of job. Globalization here is not favourable to Nigeria as a developing nation with its own peculiarities.

Recommendations
1. As an enduring democracy is the bedrock of globalization, Nigeria should improve her democratic principles and practices to strengthen oneness and unity of purpose for a rewarding globalization.
2. For proper take off of globalization in the country, Nigerian policy makers/economists should re-design the nation's economic policy base, peculiar to Nigerian economy, instead of copying the unsuitable western policies.
3. There should be enhanced development of human assets, (through adequate educational funding) necessary for Nigeria's integration into the global economy.
4. To properly diversify her resources, economic base and integrate into the globe, Nigeria should adopt the principle of budgetary control, implementation and discipline in all her programmes.

Conclusion
Globalization is currently changing the economy of many countries of the world for the better. It has opened up a lot of opportunities in trade and commerce leading to unrestricted capital inflow across the borders of many nations. With the rapid growth in telecommunication, which also is a product of globalization, it will not be over statement to posit that globalization holds the key for Nigeria’s economic rehabilitation and reliance. All that is required to surmount the challenges are political will, discipline and transparency on the part of the leaders, which are already sparkling in the country by the introduction of all round life discipline of Obasanjo's administration, called "Due Process", for Public Orientation/Mobilization of Nigerians.

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