

# GLOBALIZATION AND ECONOMIC REHABILITATION AND RELIANCE

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## **Abstract**

Technological backwardness is a major development problem that has retarded the economic progress of the less developed countries, Nigeria inclusive. Globalization provides an opportunity for mutual dependency relationship among nations worldwide. While hinged upon fundamental international cooperation for political and/or economic gain, it may create potentiality for conflict and cooperation among cooperating countries. This paper attempts to interrogate globalization and the challenge it poses for the development of post-colonial Nigeria. It argues that because we live in a network of interconnected world, globalization is imperative for the development of man. In fact, it is potentially the most effective way to end the world poverty and spread the benefits of modernization in the world. But as a worldwide current for the deregulation of trade and liberalization of financial markets, globalization marginalizes and excludes African economics and societies from the enormous growth in world economy (Ebijuwa, 2001).

## **Introduction**

In the broadest sense, globalization according to Amin (1988) refers to the "existence of relations between the different regions of the world..... the reciprocal influence that societies have upon each other". This encompasses the social, economic, cultural and demographic processes that does not only take place within nations, but also transcends them. It deals with the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away (Kearney, 1995).

Ojanuga (2003) opined that globalization is the process of developing a type of mutual dependency relationship among nations world-wide. Hinged upon fundamental international cooperation for political and/or economic gains, it may create potentiality for conflict and competition among cooperating countries. These political conflict and competition may be exacerbated by the increasing tendency to juxtapose stronger nations for weaker ones. To say, the least, globalization is the term used to describe the growing world-wide interdependence of people and countries which has turned the entire universe into a global village (Uvah, 2002).

## **Perspective on Globalization**

Globalization is the compression of the world and the intensification of consciousness of the world as a whole (Robertson, 1992). This means that human activities, individuals and communities which have been separate or only loosely connected are pulled together. The multiplicity of human social organizations are forced into closer contact and are supposed to be dependent on each other. But as human organizations and systems become more interdependent and people and ideas move around the world, the greater numbers, propelled by what geographers refer to as "space adjusting technologies" (Brunn and Leinbach, 1991) of communication and transport, nations are compelled to "loose up" to accommodate the benefits of such relationship. This is to say that nations should unte the rules and regulations that guide their societies for rules and commitments that are global, irreversible and binding on all nations. In this way, "place no longer matters in the operation of global economy and culture" (Kofinan and Youngs, 1996).

Yet we know that space still matters because global activities are articulated and practicalised in specific places. We do know also that some developed nations act as the centre of control and management for the increasing disposal of economic activities in a way that these developed nations create a new geography of centrality and power. This kind of activities some people have questioned to be either ethnocentric and/or imperialistic in character. It is therefore believed that such appeal to the grand narrative, universal transcultural scheme for legitimizing knowledge and power, common in the discerns of globalization is wrongheaded. The reasoning here is that globalization undermines the internal logic which

defines the socio-cultural experiences of Nigeria and by which the lives of the people of Nigeria are meaningful and identity forged.

Having been argued that trade regulations or rules are products of a state's "internal logic" it follows that there are no privileged rules across states which everyone must copy. It must be clearly stated that we are not contesting the fact that globalization will assist developing nations. The point in contest here is the way trading partners are positioned. When two unequal partners are involved in trade, one must definitely benefit more than the other, although not necessarily. This was what the United States envisaged in 1791 when they said, through the Secretary of Treasury, Alexander Hamilton, that any exchange with Europe "exposes them to a state of impoverishment, compared to the opulence to which their political and natural advantage authorize them to aspire (Obadina, 1998:33).

From the foregoing, we can see how possible it is for globalization to be used to marginalize some countries especially developing nations in Africa. For, if nations are to deregulate trade and liberalize their financial markets without taking into account the rules and regulations of such nations, this can be taken to mean in a way, the erosion of the sovereignty of such nations. Although it could be argued that nations come together to negotiate before reaching agreement as to what should be liberalized or regulated and so the issue of marginalization should not arise, it could also be said that the fact that people come to deliberate and so reach an agreement does not make the agreement or policy that may evolve from such agreement fair. Fairness here presupposes that stakeholders operate from a position of equal advantage. Ojanuga (2003) opined that the unit of measurement of strength and weakness in this respect is obviously the level of development of a country, realizing that some countries are more economically and technologically developed than others. If the problems of globalization are presented in this manner, then it can be seen that for globalization to work successfully, the principles of spreading economic prosperity, democratic values and peaceful coexistence worldwide must prevail. Applying the principles connotes the notions of democratization of knowledge and technological innovations worldwide for all countries to benefit from in the sustainable development of their economies. It can be seen thus far, that globalization, although a laudable international project is not only complex but is also charged with vexed challenges of political, economic, social and educational dimensions.

### **The State of the Nigerian Economy**

The first important thing to note about the Nigerian economy is that it has all the trappings of a capitalist economy without the capital. The Nigerian state owned the commanding heights of the economy and also provides such services such as free health care, free primary education, subsidized transport services such as rail services and other welfare schemes (Amali, 1991). The Nigerian economy has all the trappings of a capitalist economy without the capital because our economy does not have the safety valve which the world's capitalist economies have - a welfare system. The Nigerian economy has gone fully wild and is being transformed in such a way that we are all tools in the hands of profit maximizers. We have moved from a net exporter to a net importer, and in trying to force the economy to become a net exporter again, the economy has invited a galloping and run-away inflation at high social costs to the socio-economic well-being of the nation (Amali, 1991).

Nigeria, a predominantly agrarian society, has been striving since independence to achieve a rapid economic and social development through the use of endowed natural resources. In spite of the discovery of crude oil in huge quantities in the 60s, agriculture remained and still remains the major sector serving as the leading edge for food needs and industrial and technological development (Ojanuga, 2003). International trading over the years has been restricted to the exportation of raw materials (e.g. produce from agriculture and crude oil) from which the country derives substantial revenues to support its development.

In Nigeria, industrialization in the form of manufacturing remains on a very low ebb today thus characterizing our economy as a "raw material economy" fuelled from the colonial days by the laissez-faire policy which fostered the production of exportable agricultural produce mainly (Kalu, 1986). We therefore export raw materials for minimal income and import finished goods therefrom at much more exorbitant rates. Manufacturing in Nigeria is limited to a few public and private activities in oil mining and refining, cement production, salt refining, paper production, fertilizer production, vegetable oils production and electric power generation.

Today, the industrial sector glaringly lags behind in its development as a result of the lack of the needed technical skills and managerial competence among Nigerian entrepreneurs.

Egbokhare (2003) opined that Nigeria is like a rotten boat, which, forty years after independence and with three or four development plans in the bin is still confronted with mundane issues of survival. The problem faced by Nigeria is that it is confronted with the problems of the provision of basic infrastructure, the problem of absolute poverty, illiteracy and ill-literacy, corruption, poor leadership as well as ethnic and religious conflicts. Nigeria is the thirteenth poorest nation of the world, the second most corrupt country with over one hundred and twenty million people, and over 70% of same living below poverty line. Only 15% of the population have higher education and may be considered as literate given the state of our educational system (Egbokhare 2003).

52.7% of sub-Saharan Africans are illiterates. This is against the world average of 26.9% (UNESCO/UNICEF, 1990). Considering the fact that about 40% literacy rate is required for development, illiteracy creates barriers at different levels. The first barrier created by illiteracy is that it leads to mass exclusion from the process of development. One is confronted with a large population of people who have no ready access to information. For such a group even where information is made available through other media, it is often degraded.

For a nation's economy to experience development, it has to do with the nation's human resources acting on raw materials to produce goods, which can improve the lot of mankind. It must be noted that Nigeria's development problems are not due to the dearth of human and material resources, but they are the result of failure of will, a poverty of responsibility and a pristine taste for material acquisition. At a time when nations are exploiting the galaxies, probing sub-atomic forms and have demystified the human genome, we still remain at the foot of the ancient hills worshipping the spirits of the sighing winds (Egbokhare, 2003).

Socio - cultural forces interact with technology to determine the direction of human progress. Consequently, whether or not globalization would revolutionise existing forms of organization and democratic participation or reinforce existing power configurations depends on a number of forces outside it. Therefore, technology in general is not mechanistic. They do not discover themselves, neither do they develop apart from society, nor themselves make decisions -- they are brought about by people acting within particular institutional frame-works. Thus, it is the use to which we put technology and the consciousness and culture that drives it that determines the general direction of progress.

The above highlight some of the key challenges faced by the Nigerian economy in a global environment., which require appropriate strategies to address them. The non-existence of research and development, especially in the area of scientific research to support effective large-scale industrialization has been a deterrent as well as the poor development of support services such as transportation, energy and communication. The latter support services are considered very crucial to development as stated by Folarin (2001).

Based on the above in the state of the art in national development, one can draw the logical conclusion that unfulfilled globalization — induced needs exist for Nigeria. Some of these needs are training of well-equipped manpower to produce and disseminate new research and technology and to engage in mission-oriented scientific research and development in the agricultural, industrial, commercial and environmental sectors of the economy. Meeting these needs would enable Nigeria to play active roles in globalization as required by economic survival and peaceful co-existence. The starting point is changing or re-aligning the forms of our educational systems, particularly higher education for stimulating broad-based economic growth and improving the quality of life in Nigeria as well as for combating land degradation.

### The Challenges of Development

The end of the last century witnessed the beginning of a new-economic policy in Nigeria with the Federal Government evolving a policy of liberalization, privatization and deregulation. Deregulation only means freeing a trade or other business activities from certain rules and controls. The purpose of adopting these economic policies was to attract foreign investors into the country to stimulate the Nigerian economy by way of prevailing employment and energizing the entire economy. It was also believed that these policies would integrate Nigeria into the globalized world.

However, Schumann (2003) opined that the benefits derivable from globalization are mainly for the technologically advanced and rich nations of the world to the detriment of the poor nations. Ajayi, (2003) also highlighted five major disadvantages of globalization to developing nations, which act as threats to their economy. He posited that:

Globalization entails many risks including inequality between rich and poor countries;  
The threatening of sovereignty of small nations that could lead to both social and political instability;  
The exploitation of workers in developing countries;  
The destruction of the environment of small and poor nations that lack the capability to influence the policies of transactional corporations; and  
The risk of destabilizing capital movement.

The poor state of the economy in Nigeria and Africa as a whole has impeded the growth of technology in Africa. This in turn has led to inadequate communication network in the whole of Africa. For example, communication which is the key instrument of globalization is largely in short supply in Africa. Ajayi (2003) observed that in 1998, industrial countries of the world which accounted for 15% of the world population had 88% of internet users. In contrast, South Africa with 20% of the world population had less than 1% of Internet users while the sub-Saharan Africa with 8.7% of the world population had only 0.1% connected to the Internet

The foregoing shows clearly that the benefit ascribed to globalization have largely gone to the wealthiest nations and that only the rich nations that could cross the borders freely have access to advanced information technology which is not available in many parts of the developing world like Nigeria. Stightz (2002) observed that the growing divide between the haves and the have-nots has left increasing numbers in developing countries in dire poverty, living on less than one dollar per day at a time when the world income actually increased.

Now, because the relationship between the traders is a relationship of unequal partners, one point that commonly arises in the discourse is that African nations should de-emphasize state control of their economies by allowing it to be dictated by market forces. This means the adoption, for example, of stringent economic policies such as the Structural Adjustment Programme (SAP). Structural Adjustment Programme simply means the removal of the subsidies by states-a thing which led to mass retrenchment from organized sector and an increasing pressure on women and children that dominate the unorganized/informal sector thus further widening the gap between the rich and the poor- a thing which the so-called SAP was meant to correct. The result of this is that the "citizens perceive the state as an institution that merely provides the opportunity for some or groups to pursue their own interest by oppressing and exploiting their fellows (Clapham, 1991). This is one way by which SAP, an economic policy that is meant to liberate African States and hence lead to relative Development has led to economic deprivation of the peoples of Africa.

A crisis in economy of this nature had political consequences for individuals that occupy strategic positions within it. The collapse of the middle and working class affects the capacity to engage in any meaningful autonomous nation, particularly in the political arena. In some countries, in particular, Nigeria under General Sanni Abacha, the state specifically facilitated the decline of the middle class by deliberately undermining the businesses of middle class opponents, either by denying them access to lucrative business contracts or directly making the environment unfavourable for businesses that concern the middle class.

The cumulative effects of these adverse developments on the middle and working class is the loss of social capital and consequently the capacity to act effectively in the political arena to challenge the state. This is why it became exceedingly difficult for the working class to translate their vision of democracy into reality. As a result of this, those who were displaced because of the changes in the economy could no longer see the state as an institution to be trusted and relied upon. The implication of this is that they withdraw into their ethnic enclaves for survival. This is to say that their moral bond which binds them to the state, the real basis upon which the state could justify the power over the citizens has slackened, the consequences of which are grievous For our economic development (Ebijuwa,2000).

Beside the socio-political dislocations in many parts of Africa that are the direct consequences of economic globalization, there is an aspect of globalization equation that is gaining ground presently in Africa. This is the view that because African States cannot match the west in the contest of globalization, Africa should first appropriate the diverse emancipatory possibilities contained in the positive values of social life (Ujomu, 1999) before joining the rest of the world in the globalization process. The acceptance of such positive values as morality, peace, justice, accountability, according to Ujomu, "precedes its use as a catalyst for the redefinition of African identity in all critical areas of development", and are the criteria for Africa's integration into eventual recognition in the world affected by globalization.

## Recommendations

Against this backdrop, in our examination of globalization, this paper makes the following recommendations among others:

1. In the pursuit of globalization, global action towards entrenching ethical values has become expedient. Without global ethics, frictions and tensions of living in the global neighbourhood will multiply and, without sincere leadership, even the best designed human institutions and structures will crumble;
2. The Western countries' economic policies should not be applied hook, line and sinker in Nigeria because Nigeria as a nation has its own peculiarities;
3. The Federal Republic of Nigeria should first of all diversify its economy before moving fully into globalization policies;
4. Nigeria should discourage the dominance of the public sector while it should encourage the private sector, it should develop a stable, viable, dynamic and responsible environment for private participation, since if properly handled, it is the surest way to avoid marginalization in the context of globalizations;
5. The manufacturing sector should be encouraged through provision of adequate incentives to increase the output and productivity of the real sector of the Nigerian economy. Lower interest rates, high tariffs or ban on those products that can easily be manufactured in Nigeria should be adopted. This will enhance the installed capacity utilization in production for export and sufficient domestic consumption; and
6. Various governments in the country should mount enlightenment programmes designed to educate their citizenry on the gains and liabilities of globalization so that its gains would be harnessed without imbibing the negative influences, which would be detrimental to national interests, ideals and values.

## Conclusion

We have in the foregoing argued that the globalization project as an exercise in the emancipation of man is a worthwhile one and there is no escape route for Nigeria in it. As a scheme for the deregulation of trade and the liberalization of financial markets however, we noted that it delinks African nations from the world economy thus creating a path through its stringent Structural Adjustment Programmes (SAP) for the dislocation of Africa's socio-economic values - the consequence of which is the displacement of the majority of the African people from what we may call good life. There is however no escape for any nation from participation in the globalization process, which has highly intensified very recently. Our position does not amount to complete withdrawal from the West but rather, it means that African nations should focus their trade policies and programmes on regional lines. In other words, African nations must first develop their home interest just like Japan did before they can benefit from globalization (Ebijuwa, 2001).

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