

## **GLOBALIZATION AND ITS ATTENDANT CONSEQUENCES ON THE NIGERIAN ECONOMY**

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### **Abstract**

The concept of globalization dates back to the 1500s. It is a multidimensional concept that cuts across several disciplines. The scope and magnitude of attention the concept has assumed in recent times however, is a reflection of the rejuvenation of activities in terms of ideas/information dissemination, movement of goods and or services and technological advancement cum breakthroughs.

The resultant effect of these increased activities is the “villagization” of the globe or world. This paper views globalization as a marriage of unequal partners. The stronger partner being the already advanced and industrialized nations of the world, while the weak(er) partner being the developing countries of the world to which Nigeria belong.

The developed economies, seizing their position of advantage are exploiting the gains of globalization at the expense of the developing economies who are marginalized.

Due to this inherent weakness of the developing countries, their economies have become dumping ground for all types of goods and services which have turned out to have debilitating consequences on these countries. This paper therefore, posits that the overall effect of globalization on Nigeria and the Third World countries in general is much more negative than positive.

### **Introduction**

Globalization is a multidimensional concept that has become more or less, the talk of the day. Yaqub (2003), lends credence to this statement when he opined that, due to its multidimensional disciplinary nature,

there is no single acceptable definition of the concept.

**Arguments** have ensued among policy-makers, academics, analysts, non-governmental organizations in both the South and the North as to whether to regard globalization as a recent concept or to see it as a concept that has been describing social processes since about the 1500s. Wallerstein, (2000) therefore describes globalization as a misleading concept since according to him it has been in existence for 500 years.

According to Appadurai (2001), globalization in the contemporary world is characterized by objects in motion – these include ideas, and ideologies, people and goods, images and messages, technologies and techniques. Put in a simple language, it is a world of flows. on Mittleman (2000) as cited in Ibrahim (2002), asserts, is a syndrome of processes and activities, which embody a set of ideas and policy framework organized around the global division of labour and power. Globalization is usually apprehended at two levels. The first level is the increase in interactions and rise in trans-national flows transforming the whole world into a single but small village. The second level is the intensification of worldwide social relations, which link distant localities in such a way that local happenings are shaped by events from distant points on the globe and vice-versa.

### **Globalization: A Marriage of Unequals**

Globalisation essentially, is a marriage among unequal partners – the North – developed nations of the world and the South – developing nations of the world. The former being the stronger or powerful partner, while the latter being the weaker.

Globalization gives rise to unequal distribution of benefits and losses. Given the uneven process involved in globalization, the imbalance leads to polarization between the few countries that gain and Nigeria among the many countries that lose out or are marginalized. Globalization, polarization, wealth concentration/accumulation and marginalisation are therefore linked through the same process. In this process, investment resources, growth and technology are focused in a few countries (mainly those of the North (centre) – North America, Europe, Japan and East Asian newly industrializing countries) while the South (Periphery) consisting of Nigeria and indeed, a majority of other developing countries are excluded from the process of participating in it in marginal ways

that are often detrimental to their interest for example, import liberalization which has the potential of inflicting harm on domestic producers, while financial liberalization may cause instability in the economy.

Globalization orchestrates growth and expansion in the few leading or powerful countries while it results at best in moderate and fluctuating growth in other weak countries like Nigeria for example, who are attempting to fit into the globalization/liberalization framework. This marginalisation makes it difficult for countries of the Third World, to which Nigeria belong, to get out of the acute problems of low commodity prices and debt, as well as erodes the benefit from export opportunities.

Globalization manifests further in uneven and unequal process, which is evident in the fast growing gap between the world's rich and poor people and between developed, and developing countries. The distribution of gains and losses are predicated on the strong and the weak or on the developed and developing nations. This is buttressed by the United Nations Development Programme's (UNDP) Human Development Report (1992), which estimated that 20% of the World's population in the developed countries received 82.7% of total world income, while the 20% of people in the poorest countries received only 1.4%.

### **Consequences of Globalization on the Nigerian Economy**

There abound numerous economic and social consequences of globalization on the Nigerian economy. For the purpose of this paper, the following are considered.

Nigeria's weakness in facing the globalization challenge: Nigeria, like most countries in the South have been unable to reap benefits from globalization because of several weaknesses. This weakness, Nyayar (1997), captures as uneven development. A developing country like Nigeria is economically weak to begin with due to the lack of domestic economic capacity and weak social infrastructure following the colonial experience. A country is weak when it has low exports/export prices and its significant terms of trade declines while the debt crisis deepens and the burden of debt service increases as is the case with Nigeria. These make globalization an uneven affair in favour of the centre (North).

Nigeria's weakness Khor (2003) also asserts stems from its lack of bargaining and negotiating strength in international relations. Being heavily indebted and dependent on bilateral aid donors and multilateral loan organizations, Nigeria has been striped of its capacity to negotiate even on the terms of loan conditionalities. This is a classic example of the adage, which holds that "he who plays the piper dictates the tone". This is evident in the tremendous mandate and power vested in the institutions under the control of the developed countries namely, the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO).

Globalization brings about revolutionary changes in societies/communities as a result of information and communications technologies. These processes have by and large, cumulatively led to the villagization of the globe. This for Nigeria, has led to the near and in some communities, the total collapse of highly cherished Nigerian culture, i.e. dressing and even the reading culture of most of our youths who now spend the good part of their day watching unhealthy programmes in the cable and accessing the internet unsupervised. This accounts for the increased dimension of crime wave being envisaged in the country today.

According to Stiglitz (2002), the former vice President and Chief Economist of the World Bank, the West has driven the globalization agenda in a way to gain disproportionate share of the benefits at the expense of the developing world. He went on to stress that, developed countries keep quotas on a wide range of goods from textiles to sugar while forcing the developing countries to open their markets. The West has been subsidizing its agriculture, thus weakening the developing countries' capacity to compete, while at the same time forcing them to remove their own subsidies, thereby increasing their vulnerability to Western imports.

Out break of religious, ethnic and political crises in Nigeria, have direct correlation with the satellite networks, which beam the evils of wars, genocides, unrest etc from the developed world, directly into the living as well as bedrooms of Nigerian. These spark off trouble in people who are already aggrieved by the bloodshed they witness on a daily basis: Courtesy – globalization. This has had immeasurable consequences on the economy as thousands of human resource and properties as well as cash worth millions of naira have been lost.



## **Recommendation**

The following recommendations are proffered if Nigeria must harness benefits of Globalization.

- (a) There is the urgent need for Nigerians to organize themselves and present a united front/position on issues which border on debt forgiveness/cancellation irrespective of the political/ideological leanings to which they belong.
- (b) The government should intensify its efforts in the outright ban of certain consumer goods and place quotas/tariffs on others as is being practiced in the North (developed countries). Government should note that there is no country in the world, which opens up her economy completely to the vagaries of demand and supply.
- (c) The need to build up the country's export base cannot be over-emphasized. Government should therefore refocus attention and resources to agriculture and technology. This will ensure that our exports are not left in their very raw forms but technologically processed to some reasonable standards so as to add value to it and thus generate increased foreign exchange on the exports.
- (d) Government should step up efforts at strengthening our weak social infrastructural base i.e. water supply, transport and communication, and electricity supply. These form the bedrock of development and industrialization.
- (e) Government should revolutionalise the education sector by effectively increasing and releasing fund to the sector and then ensure that the curricula is planned in such a way as to promote the development of the economy by way of sourcing and putting to use available locally developed raw materials for production.
- (f) Nigerians should eschew bitterness and rancor and the provocation the international media beams into their homes courtesy – globalization (satellite) and live in harmony once more as has been their culture. This will go a long way to enhance the development of the economy.

## Conclusion

Although the North is in a dominant as well as vantage position and is prepared to use this to further their control of the global economy, the South is also enjoined not to remain helpless. The need for Nigeria in particular, and the South in general to arise to a better organization of themselves and their responses in discussions and negotiations in the WTO, IMF as well as in other international fora cannot be over-emphasized in this time and age. While it can be said that globalization trickles some crumbs of benefits to Nigeria and the developing countries in general, the over all effect which is to keep the economies of the Third World Countries (TWCs) under or subservient to those of the already developed or industrialized world, far outweighs its benefits. It is therefore, incumbent on Nigeria and indeed, the South, to stand up to the challenge by refusing to remain under or subservient to the North.

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