

Globalisation and Nigerian Development

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ABSTRACT Globalisation has become the potent tool for tackling the developmental problems of developing nations. However, Nigeria's participation in the on going development drive is being hindered by certain factors such as political instability, corruption, domestic policy deficiencies ethnic/Religious Crisis, the debt burden etc. which no doubt have resulted into chronic economic dislocations and social problems such as high unemployment rate, poverty, high infant mortality rate, falling standard of living, high crime rate, dearth of social amenities, failing standard of education etc. This paper is in identifying these problems and proffering solutions to them.

INTRODUCTION

No region has suffered during the period of globalisation than Africa since the acceptance of globalisation as an economic development doctrine. Nigeria being a part of the African continent and the World's seventh largest producer and sixth largest petroleum exporter is at the bottom rung of the development ladder particularly on the per capital income basis. According to UNDP (2000/2001) Human development report on Nigeria. Nigeria is reported to be ranked as the 57th Country in terms of gross National Product (GNP), 124th on gender related development and 151 in human development index.

On a per capital GNP basis, it ranks 187th, sliding further to 194th position when measured in purchasing power parity. There is no doubt, that the above depicts the inescapable fact that Nigeria is one of the poorest Country in the world that L besieged with chronic economic and social problems such as high indebtedness, high unemployment rate, high infant Mortality rate, high illiteracy rate, falling standard of living, high crime wave e.t.c.

It is a truism that the above problems are consequences of certain economic policies put in place by successive Nigerian governments coupled with the unfavourable workings of the external environment through their international

agencies and corporations such as the World Bank, Paris Club, international Monetary Fund, (IMF), World Trade organisation (WTO) etc.

There is no gain saying the fact that, Nigeria has embraced the globalisation economic development theory since the early 80s ari' have implemented many of its policies such as trade liberalization, currency devaluation, privatization and commercialisation as well as the removal of subsidies on Nigerian goods and services etc. But despite the above, it is a matter of fact that, within the content of global development Nigeria's 120 million people ranks it among the 10 most populous nations, but the economy fails far short of this demographic high profile, its contribution to global GNP is a mere 0.22% ranking 187th in GNP per capital.

A deduction from the above shows that despite the widely acclaimed benefits of globalisation, such as increased integration of the global economy, increased international trade which gives consumers and producers a wider choice of low cost goods, more advanced technologies and a rapid increase in the flow of capital and private investment. Nigeria could not be said to have benefited from any of the above as seen in the context of the prevailing situation in Nigeria.

The objective of this paper is to examine the concepts of globalisation and development and the factors whether internal or external that are militating against Nigerian from benefiting from the globalisation process.

MEANING OF GLOBALISATION AND DEVELOPMENT

Not everybody, of course see globalisation as a threat, while some condemn it as the mother of the world's ills, others hail it as the penacea for most of the World's problems. This ongoing debate may seem irrelevant to majority of mankind, many of whom have only a hazy idea of what globalisation is all about. But whatever

your view point, globalisation does affect you already and it will probably affect you even more in future.

Awake (2002) defined globalisation as the term use to describe the growing world wide interdependence of people and countries. This process has accelerated dramatically because of the huge advances in technology. Akindele and Bassey (2001) defined globalisation as a concept that is used interchangeably with internalisation and Liberalization. To them, globalisation is the transcendence of the economic, social, cultural, political, environmental constraints across territories. While the IMF defined it as the integration of goods, services and capital between. Countries in the international system.

Daminobo (2000) sees globalisation as mankind conscious attempt to produce goods and services to and from the world, it is the focus of economic activities at a world market in which the world is seen as a global village in reference to its apparent smallness due to improved communication and the way in which changes in one area is likely to affect the rest of the World. Madunagu (2001) defined Globalisation to mean the rapid expansion of capitalism, capitalist economic relations and the capitalist markets across the globe particularly to areas where they had hitherto been absent, marginal or weak. Onimode (1985) defined globalisation as the other side of imperialism which he sees as a means of widening the gap, inequality, dominance and exploitation of a society, he further attributed African present state of underdevelopment to the policies of globalisation put in place by the capitalist Countries.

Development

Again, like globalisation, the concept development has many definitions and it is always associated with economic growth.

To this end, Rodney (1969) defined development as a many sided process, that at the individual level, it implies increased skill and capacity, greater freedom and creativity, self discipline, responsibility and material well being.

Serror (1985) posited that, development could be measured in terms of a fall in poverty, unemployment, high literacy rate, low infant mortality rate e.tc. The above definition is important for our understanding of development

because it is mainly centered on the improvement of the living conditions of an individual or group of individuals.

Kuznet (1971) defined development as: A long term rise in the capacity to supply increasingly diverse economic goods and services to its population, and that this growing capacity is based on advance in technology and the institutional and ideological adjustments that demands it. According to him, the main features of development are.

- i. The sustained increased in the supply of goods.
- ii. Advances in technology.
- iii. Institutional and ideological adjustments must be made to effect the proper use of innovations generated by the advancement of human knowledge

In a slightly different version of development Todaro (1985) gave the features of development as:

- a. Capital accumulation
- b. Growth in population and
- c. Technological advancement.

He further argued that capital accumulation are saved and invested in order to augment further outputs and income. New factories, machinery, equipment and material increase the physical capital stock of a nation and make it possible for expanded output levels to be achieved.

A deduction from the above is that, savings is a necessary precondition for growth and development, which facilitate life, sustenance, self esteem or respect and freedom.

THEORETICAL CONTEXT OF GLOBALIZATION AND DEVELOPMENT

Virtually, every facet of human life can be contextualized under globalization. But it is not to assume that the discussions are well informed, nor are they all situated in a rigorous theoretical context. The absence of a theoretical framework in most of the discourses on globalization in Africa is a bane. All that we have done here, therefore, is to present a brief theoretical overview of globalization and development. Discussion on the above can be collapsed into two broad schools of thought: dependency school and the development perspective.

Dependency School : The origin of the dependency school on globalization dates back

to the late Raul Prebisch who, in his writing blamed the US-based transnationals for the development problems of the Latin American countries in the 1950s. To Prebisch the unequal trade relationship between the United States of America and the Latin American countries particularly the chronic balance of payment crisis which the latter was faced with, and the structural deficiency of its internal economy were caused by capitalist development promoted by the transnational corporations. Prebisch's writing laid the foundation for scholars like Celso Furtado who argued that the kind of industrialization initiated by the US transnationals in Latin America was externally - oriented. Building on Prebisch too, Fernando Cardoso demonstrated in his study on Brazil that, in spite of the country's move to the Rostovian "take-off stage", it lacked the local capacity to really start self-sustaining industrialization. Osvaldo Sunkel's analysis of the Chilean experience with development further brought out how the US-transnationals scuttled the country's development process. While Prebisch and the early neo-Prebischian scholars were concerned with the structural crisis in the Latin American economy, other scholars like Paul Baran, Gander Frank went beyond the structural problem to examine its root causes. To Baran and Frank, the basic problems that Latin America was faced with were those of dependence and underdevelopment, arguing that these problems were not at the original state of the sub-region, but the concrete reflection of the past and present relationship between the region and the Western European countries dating back to the period of colonialism. The emergent literature on Africa's political economy got its inspiration from the discourse on Latin America. Little wonder notable early scholars of African political economy like Claude Ake, Dan Nabudere and Samir Amin shared common methodology with their counterparts in Latin America. That is, the Marxian method of political inquiry whose main theses are:

- i. That, society, which is always in constant motion cannot be understood outside the specific state of development of its production forces and the corresponding social relations of production.
- ii. That no social, political or economic institution can be understood independently of the mode of production within which it

exists. It is this framework that has shaped theoretical discourse on globalization. The major contention of the dependency school is that globalization is not really so new in the sense that since the rise of monopoly capitalism, international finance capital has not only overtaken other factors of production, but influenced its use and relocation in its quest to make monopoly profit. All is, indeed, a vindication of Karl Marx's observation in the 1850s that, at the dawn of supra-territorially, "that capital by its nature, drives beyond every spatial barrier to conquer the whole earth for its market". Globalization, therefore, is the project of the developed economies, precisely, the U.S.A, Western Europe and Japan being presented to the world as if it is the project of all the rich and the poor countries. That is not to say that, the dynamics of globalization like technological innovations - the state, culture and environment - are exclusive to the triad. In the contrary, the issue at stake is how they shape the pursuit of surplus accumulation which has been the principal and most powerful spur to globalization.

Development Perspective: The early origin of the development school on globalization can be traced to the neo-classical theory of economic development as enunciated by scholars like John Keynes, Evsey Domar, Roy Harrod, Walt Rostow. Each of these scholars was concerned with one economic problem or the other of their time though, together, they sought ways of promoting economic development in Western Europe. For instance, while Keynes was primarily interested in short-term problem of stabilization, Evsey Domar and Roy Harrod looked into long-term problems of economic growth rate and its level of savings and investment. The key element in the Rostovian stages of growth was the process of capital formation.

It is the postulation of the other early scholars that came to dominate the discussions on theories of economic development throughout the greater part of the 20th century. This, the Bank and Fund are still propagating. The contention of the Bretton Woods Institutions and the core countries of the North, viz. the USA, Western Europe and Japan, whose view represents the position of this school of thought, is that

globalization would further supra-territorial integration of goods, services and capital. And that the gain of globalization will trickle down to the countries of the Third World particularly as the "missing links" of development like capital and technology would now be placed more at their disposal. Little or no consideration is given to the historical experiences of Africa, its economy and polity in all this. It is in response to this and other unsettled issues that gave rise to the dependency school of globalisation.

PROBLEMS HINDERING NIGERIA FROM BENEFITING FROM GLOBALISATION

Although globalisation has brought about an increased in growth and wealth in some Countries, it has not done so for Nigeria. This is because Nigerian since independence has been faced with a lot of problems which are consequences of some domestic policies put in place by successive Nigerian government.

One of the above problems is political instability which could be traced to the politicians and military incursions into the political leadership of the country. There is no doubt, that the military has contributed more in this regard than their political counterpart. And as we all know politics is pivotal to the stability of any country, it is therefore logical to say that when there is crisis in the political arena the basic economic foundations of the state are bound to suffer. There is no doubt, that instability leads to distortion in the execution economic or developmental policies of any country. It has been observed that, that whenever there is political crisis, well conceived and initiated economic/ developmental programmes are truncated or abandoned as each regime would want to justify its take - over of government by abolishing already made policies and initiating new ones thereby using up resources meant for other programmes to execute the new ones and leaving that of its predecessor to waste. A good example of the above was the Operation Feed the Nation (OFN) embarked upon by the General Olusegun Obasanjo's military regime which was launched on May 21, 1976 and no sooner President Shehu Shagari took over, in 1979 launched the Green revolution programme instead of pursuing and complementing the existing Agricultural program. And considering

the aims and objectives of both programme, one might begin to wonder the reasons behind the abolition of the former and the introduction of the later which invariantly had the same set goals. The most annoying part of the above is the several billions of Naira which must have been invested or wasted on the programme. It is a truism that, this type of attitude weakens the foundations of economic development and National Integration, which would have been the structure upon which globalisation will stand. A second problem is corruption in both high and low places in Nigeria. This problem has become a monster walking on four legs in Nigeria. It is an incontestable truism that, since independence public office holders have been in one way or the other found wanting in the management of their office. In other words, public office holders have overtime used their offices to enriched themselves.

A third problem preventing Nigeria from reaping the benefits of globalisation is the domestic policy deficiencies in which various Nigerian governments unwisely took upon themselves various tasks that would be more efficiently performed by the private sector which have resulted in an over bloated and over burdened public sector with all kind of parastatals which are bedeviled by hyper corruption, inefficiency and mismanagement of resources. Added to the above is the government move to assume uncritically that policy preferences in the developed countries could be imported, apply and work in a dependent, weak and distress economy like Nigeria. For example, the premature adoption and implementation of the liberalization, privatization and commercialisation policy, currency devaluation policy e.t.c by Nigeria without first and foremost putting in place the necessary infrastructure which such policies are to stand upon.

Fourthly, The impacts of the Nigerian economy could not be overlooked. Even though Nigeria has been making significant payments of her debts her current debts service areas amount to 3.5 billion dollars annually. A figure which represents 33% of her yearly export earnings. The debt burden is obviously a major obstacle to Nigeria's development drive. Moreso, measures put in place by successive Nigerian governments in order to either pay or service the debt as well as enhance growth and

development have led to other serious and adverse consequences on the Nigerian economy. For example, of what economy benefit is using N Billion Naira that would have been used in providing social amenities to Nigerians in hosting president Bill Clinton of the U.S. There is no doubt, that the above analysed factors or problems have really hindered or depleted Nigeria's resources, thereby militating against the Country's ability to provide the basic infrastructure with which globalisation could take of, for example, electricity, Telephone, Education e.tc.

RECOMMENDATIONS

In the above analysis, we have identified political instability, corruption, military interventions, Ethnicism/ Religion, Poverty, the high debt burden, the uncritical acceptance and execution of policies from the developed capitalist Countries e.t.c as the major factors hindering Nigeria from benefiting from the globalisation economic theory.

To provide effective solutions to these problems call for a deeper appreciation of the problems and therefore the paper calls for the urgent restructuring of the Nigerian economy in order to bring about socio-economic stability. To this end there should be massive investment in technological education depending on -going programmes aimed at enhancing accountability and professionalism, intensifying regional integration efforts by capitalising on the vast markets potentials at well as strengthening partnership between the civil society and the state. There should be an urgent need -for diversification of the Nigerian economy to avoid dependency on a product (like crude oil. Added to the above is the need for political stability, which comes as a result of good governance which is a must for the growth and development of any given economy.

At present, the playing field in international trade is not level. Therefore it, is advisable that Nigeria should create an investor friendly environment to attract foreign investors. While the industrial countries should eliminate restrictions against the import of Nigerian goods and services.

Development is by choice not by chance while Nigeria bears the primary responsibility for achieving her reform and development,

International Organisations and Community must support her efforts at development. To this end, Nigeria should develop her tele-communication and transport system which are the main forces behind globalisation. It is surprising today that, the cost of getting a telephone line in Nigeria of 42 years old is still high and expensive which every Nigerians could not afford and the average expected wait for obtaining a telephone line in Africa is 3½ years. The longest in the world. No wonder, Brigadier David Mark, minister for Communication in 1991 was quoted as saying that, telephone is not for the poor man.

Nigeria and other African Countries should also get the UN and the international court of justice to fashion out a policy, where kleptocrats would stand trial in what is intrinsically a crime against humanity.

The realization of the above by African states would certainly be a more lasting value than those skewed loans that would leave the African states mirred in unabating Misery. Thus a reprisal of this kind being suggested would deter premeditated expropriation or looting of a nations treasure by African leaders and public office holders.

Nigerian should set cottage industries and also support indigenous technology like the Asian tigers in order to develop, compete and benefit from globalisation.

CONCLUSION

This paper has attempted to examine or analysed the concepts of globalisation and development, the problems hindering Nigeria from benefiting from the globalisation process.

The paper observed that, globalisation as an economic doctrine has created growth and wealth for some countries, while the reverse is the case with Nigeria. And that most of the problems of Nigeria are self inflicted and until these problems are solved. Nigeria cannot benefit from globalisation as an economic and development doctrine.

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