

## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004). Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

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Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

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What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

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## **Introduction**

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This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## **The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis**

BY

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### **Abstract**

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## **The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis**

BY

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### **Abstract**

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

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## **Introduction**

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This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

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account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

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### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004). Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004). Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

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account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

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### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

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### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

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Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngairé, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

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## **Introduction**

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a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

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### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

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Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

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From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

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economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

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This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

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The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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## The Political Implication Of Globalization On Economic Meltdown in Nigeria: A Comparative Analysis

BY

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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### Abstract

Globalization which is conceived as the universalization of capitalism has imposed on Africa alien processes and practices that have either enriched or corrupted its socio-cultural, political and economic system. We live in a global system whose transformation in modern times has affected almost every aspect of what we do, how we live and our hopes and dreams. We are today caught up in the web of globalization, an era of clones, the era of information, the era of the borderlessness and the era of global village phenomenon. While globalization is nothing new, the features of the current trends is that the basis of livelihood on our planet has been roundly redefined and restructured with the aid of globalization. Indeed, the change has come about as a result of the exponential revolution in the most basic form of relationship between man and his environment especially with the aid of improved technology. There is no doubt that globalization reflects man's common humanity, a desire to explore and break barriers among nations. This paper therefore will address globalization as a challenge, with potential for good and evil depending on policy responses. The paper will examine the implications of globalization on industrialization and the attendant problems of globalization on the Nigerian economy in comparison with other countries of the world. The paper concludes relying on secondary data that globalization contributed to the woes of economic problems militating against economic and political development of Nigeria.

**Keywords:** Political Economy, Political, Globalization, Governance, Internalization, Production, Economic Meltdown.

## **Introduction**

Globalization touches people in different ways, for better or for worse, and means different things to different people, evokes different emotions, and invokes different reactions from different people to political and economic matters within their milieu. Globalisation is a powerful real aspect of the new world system, and it represents one of the most influential forces determining the future course of the planet (Majekodunmi, 2012). Scientist will say that the world has existed many millions of years ago. However, the World as a unit where several of its parts have come to have close contact and interaction with one another and to recognise themselves as sharing a common humanity, took a new turn in the fifteenth century with the Portuguese, Spanish and the Dutch voyage of discovery, a phenomenon which received further impetus with the rapid advances in technology (Stephen, 2004).

Globalisation represents a phenomenon whereby historically distinct and separate national markets are becoming one huge global market place, with resulting internationalization of production and selling to the world as one market. From whichever angle one looks at globalisation, it entails the bridging of distances, cultural, political, economic and geographical boundaries. Thus, it is an assumed fact that globalisation is irreversible. It has manifold dimensions such as economic, political, security, environmental, health, social, cultural and others. In recent times, globalization has -become a particularly fashionable way to analyse changes in the international economy and world politics.

Advancement in technology and communications are said to have unleashed new contacts and intercourse among peoples, social movements, transnational corporations, and governments. The result is a set of processes which have affected national and international politics in an extraordinary way (Ngaire, 2000). In the age of globalization, the links between political economy and society are forged through terms like governance. Whereas, governance is a mechanism through which citizens and groups articulate their interests, exercise their legal rights and meet their obligations to mediate their differences (Dahal, 2002). Thus, governance is

a state fulfillment of expectations and the achievement of societal well-being by the mandated authority. An examination of a term like governance is political economy, and interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008).

This paper is divided into six sections, section one is on the introduction, section two dwells on conceptual framework, section three is devoted to history of globalization, while section four interrogates the effects of globalization on Nigeria as a country. Sections five and six are devoted to conclusion and recommendation.

### **Conceptual Framework**

What is Globalization? Globalization was first coined as a term in the 1980s, and the term global village was ventilated by the distinguished scholar, Marshal (1980). According to Scholte (1997), globalization is a process in which geographic distances becomes less a factor in the establishment and sustenance of border-crossing, long distance, economic, political and socio-cultural relations. Globalisation is the widening scope and intensification of socio-economic, political issues about how the global and or national political economy should operate. Globalisation is a widespread concept with a considerable degree of ambiguity. It is the opposite of glocalization in which the later refers to any individual, group or organization and community which is able to think globally while acting locally, while the former is the ability to think globally and act globally. Globalisation has been viewed from different perspectives and dimensions particularly in relation to different interests, subject areas and scope. Hence, it has been difficult adopting a standard definition (Adesoji, 2006). Whether seen in terms of internalization, liberalisation, universalisation or westernization, it is this major reconfiguration of social geography that is termed globalization, with implications for economic advancement or marginalization, global security and insecurity, justice and injustice, democracy and dominance, that have made the subject a hotly discussed one.

According to Ake (1988), political economy approach treats social life and material existence in their relatedness. It underscores the central importance of the mode of production and relations of production as a major causal factor in all social phenomena (Onimade, 1985). Political economy is a comprehensive interdisciplinary framework that is based on Marxist social theory. It involves not only the interrelationship between economics and politics, but also the interconnections between the various levels of social interaction from the local through the national to the global (Sumner, 2008).

Generally, globalization has a number of distinct meanings linked to competing perspectives but there is no one generally agreed definition because each definition reflects certain values and preferences which may not be universal. What is incontrovertible is that a significant change has been unfolding in the world during roughly the last five decades of the twentieth century (Alapiki, 2005). When seen from the point of view of worldwide process of change, globalization could refer to all those processes by which the peoples of the world are incorporated into a single world society or global society. This change is accompanied by the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa. Globalization is an economic phenomenon that conditions especially economic and political integrations. Globalization pushes for the process and sustenance of global culture. It is the reason for the revival of local cultural identities in different parts of the world.

Perhaps, a few specific working definitions might buttress the varied meanings attached to globalization. According to Jan Scholte (1997) globalization refers to processes whereby social relations acquire relatively distance - less and borderless qualities, so that human lives are increasingly played out in the world as a single place. While the above definition views globalization from a social relations perspective, other scholars emphasize a more specific economic focus. Thus, in his view, Oyejide (1998) sees globalization as the increased integration across countries, of markets for goods, services and capital. It implies in turn accelerated

expansion of economic activities globally and coupled with a sharp increase in the movements of tangible and intangible goods across national and regional boundaries.

According to (Narula, 2003, Ajekiigbe, 2004 and Sumner, 2005), globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. Comparatively, this process has effects on human well-being, environment, and culture and on economic development and prosperity of societies across the world. According to Kwanashie (1998) globalization has been described as another phase of imperialism. It is seen as a process of creating global market place in which all nations are increasingly forced to participate. The key elements of this process include the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between the sovereign nations, and the creation of structures to support and facilitate dependence as well as the creation of a global marketplace. The process is accelerated by such openings, which the advancements in information technology have provided.

From the foregoing, it could be seen that globalization conjures up a picture of a borderless world more often than not facilitated by the convergence of information and communication technologies. Though, globalisation in the economic spheres has developed over the last five centuries, but it has acquired more vigour over the last two decades or so.

In a similar vein, Aja Akpuru-Aja and Emeribe (2000) argue that, "globalisation reflects the greater openness of national and international economies to greater flow of trade, finance, capital, high technology, Foreign Direct Investment (FDI), and market integrated offerings. The engineering mechanism of globalisation remains the revolution in science and technology, particularly as it affects transportation and electro- communication system.

It is clear from the above that globalization is more than the flow of money, commodities and trade relations. The process also involves the creation of a global village based on shared values and worldwide social relations. Though technology and market integration processes appear to have been the main catalysts which have instigated the prevailing changes in the world

economic system. It is however in this sense that globalisation is generally considered a new stage of international economic integration in specific market where the competitive positions of the main actors, i.e. multinational corporations, are increasingly internalizing their operations and are deeply affected by their mutual interdependence, and by the strategic behaviours of their competitors. It is therefore not enough to regard globalisation simply as the process of bringing the different areas of the world together as an enlarged and integrated whole. The fundamental point must be emphasized, that globalisation is driven and promoted by western capitalist and imperialist motives and values and has consequently produced two dialectically opposing classes of winners and losers among nations.

### **History of Globalization**

It is difficult to determine a specific moment when globalisation started (Alapiki, 2005). The concept is actually a contentious issue on the conceptualization of the term globalization. Periodisation is always imprecise and contentious, largely because change and continuity are invariably intertwined. Researchers have variously dated the onset of globalisation from the dawn of human civilization, or from the start of the modern era, or from the middle of the nineteenth century or from the late 1950s and late 1970s (Scholte, 1997). However, if we conceive globalisation as the rise of supra territoriality, then its chronology falls around the middle of the twentieth century. Globalization would have been impossible without supportive global regulatory frameworks that have facilitated supra territorial, political, economic, financial and cultural activities.

Obviously, the present structure of the global economy has its root in the economic history of the past four centuries, particularly in the history of the development and expansion of capitalism; The argument is that the political and economic processes of the past centuries created the conditions for the emergence of a single modern world economy now referred to as globalisation partly because it signals a higher level of intensifying economic, political, financial, cultural and social cross-border networks than before. It is this historically generated structure,

accompanied by deepening inequality which provides the backdrop for understanding the prevailing crisis and transformation of the world economy and determines the "winners" and "victims" of globalisation (Alapiki, 2005).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labour and exchange. It locates the root causes of third world underdevelopment on issues of imperialism, colonialism and neo-colonialism on the one hand and also draws from the internal contradictions peculiar to the third world countries as fundamental causes of their underdevelopment. Interestingly, both bourgeois and Marxian political economy proffer separate approaches to emancipation and development. Finally, knowledge of political economy helps the oppressed and exploited to understand their reality and ways out of their contradictions. Addressing the shortcomings of political economy has kept the framework dynamic, robust, and contemporary. It has a growing relevance to interdisciplinary concepts, such as globalization and governance, and to a wide range of academic fields, including sociology, geography, and education (Summer, 2008).

### **Methodology**

This study is carried with the aid of secondary source of data. Facts, ideas and materials are sourced from textbooks, journals, newspapers and periodicals.

### **Discussion**

#### **Effects of Globalization on Nigeria as a Country**

Compared to other economies within the African region and other regions, Nigeria has a disappointing level of economic development with a GDP of about \$45 billion in 2001 in comparison with South Africa's \$136 billion, Malaysia's \$90 billion and Singapore's \$89 billion and a per capita income of about \$300 ranking her one of the poorest countries in the world (CBN, 2000). Overall, Nigerian economy is characterised by low savings - investment equilibrium, at less than 20 percent and low levels of industrialization and exports. Agriculture contributes about 40 percent of the GDP, 90 percent of the non-oil export earnings, and provides employment to about 70 percent of the adult labour force.

According to the Human Development Report (2004), more than 70 per cent of Nigerian leaves on less than \$ 1 a day. The average Nigerian is not expected to live beyond 45 years compared to Ghana's 55 years in 2002, Malaysia's 73 years, and Singapore 78 years, according to a report posted to the World Bank's Development Indicators (World Bank, 2000). Nigeria has experienced negative and slow growth and is one of the slowest growing economies in the world on a per capita basis, especially for the period 1981 to 2000. Since independence, the economy has never had a growth rate of seven per cent or more for more than three consecutive years.

The health situation assessment and analysis report shows that infant mortality and maternal mortality have remained steady over the years as well as crude birth rate and crude death rate. The living conditions and the overall quality of life of most Nigerians have deteriorated. The proportion of Nigerian population with access to safe drinking water and adequate Sanitation was only 57 per cent and 55.5 percent respectively in 2000. The housing situation has worsened and the number of homeless people has increased, while urban slums have been increasing progressively in number and size. Physical infrastructure has degenerated considerably due to lack of adequate maintenance, coupled with a rapidly growing population.

The Human Development Index (HDI) (2001) reported that the educational system in Nigeria suffered a great setback in the last two and half decades. While available evidence acknowledged an increase in primary school enrolment due to government policy of "free education for all" from 14 million in 1990 to 24.9 million in 2005 HDI (2005). As at 2009, Nigeria with an alleged population of 156 million people has only about 1.7 million people using the Internet while Singapore with a population of 3.5 million has about 2.4 million Internet users. South Africa with a population of about 48 million has an Internet user population of 5 million, while Malaysia, with 26 million people, has an Internet user population of 10 million people (HDI, 2005). President Obasanjo of Nigeria at the July, 1999 OAU Summit in Algiers, in Algeria lamented that it is a tragedy that Africa is being bypassed and its marginalisation turning into the linkage. It should be noted that the new drive for globalisation of the economies of the states of the world is ideologically sponsored by the leading capitalist state of the world, to



integrate the world under its imperialist hegemony. Globalization is capitalist expansion by imperialist means. This is done in strict compliance with the rules of the imperialist theory of comparative advantage propounded by western bourgeois ideologies and foisted on the less developed areas of the world to ensure that they operate as dependent appendages in the world economy (Oyekpe, 2004). As noted by Omitola (2005), the Nigeria colonial state served the interest of global accumulation at the periphery through the local extraction and transfers of resources to the metropolis. However, the exploitations of the periphery did not stop at independence; rather, it developed another character as the emerging ruling class at independence continued acting the script already written by the departing colonizers. Thus, lacking economic base, the Nigerian ruling class has recourse to politics, which, affords them the opportunity of controlling the use of the state scarce economic resources of the state. This is achieved by amassing wealth using the instrumentalities of the state (Ake, 1996).

The political economy of Nigeria even becomes more complex when one considers the heterogeneous and the multi-various nature of Nigerian societies. In fact, the inherent diversity in Nigerian federalism introduced a dangerous dimension to the contest of power.

Globalization, in the cast of colonial legacy, came along in the eighties as a "liberating" force opposed to military politics and its corruptive influences. Its pervasive impact was felt even more strongly in the nineties, as information technology turned the world into a global village and revolutionized people's identity paradigms and played up western political systems as models for Nigeria (Bigman, 2002). The military caved in, but post-military politics contributed in its wake awkward forms of identity politics that went from local and traditional alignments to global issues of human rights and obligations.

With the emergence of globalization and the movement towards an information economy heavily dependent on knowledge-based products and services, Africa has witnessed its already tenuous position in the global economy deteriorating even further. By almost any measure, Africa's current position in the world economy is near the bottom. Moreover the exports, on which Africa is so dependent, are confined mostly to primary commodities. These commodities

account for over 90% of all African exports. Traditional exports from Africa are being displaced increasingly by new and relatively efficient products from other regions (Majekodunmi and Adejuwon, 2012).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s,<sup>11</sup> it was Nigeria. Without doubt, the country, with its huge market, robust urban centers, oil revenues, attraction to transnational, vibrant capitalist culture, and influence in the global system had the chance to exploit opportunities in the global order. Unfortunately, this did not happen. The opportunities were squandered and negated by a combination of structural factors and forces; an unstable and non-hegemonic state; an irresponsible, divided, quarrelsome and dependent bourgeoisie; inefficient and ineffective bureaucracy; weak industrial and economic structures; a predatory economic culture addicted to corruption and waste, mismanagement and the "quick buck" and "quick rich" mentality; and foreign domination, manipulation, and exploitation. The chances for using oil rents to reverse the trend and constraints of underdevelopment were frittered away and state power was used to rationalize and legitimize not just corrupt attitudes but also a subservient and unequal relationship with profit and hegemony-seeking transnational corporations (Ihonvbere, 2004).

Globalization is a very uneven process with unequal distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out (Obadan, 2001). Nigeria, Africa's most populous country has an estimated population of about 150 million people, emerged from the civil war of 1967 -1970 with a devastated economy, however a meaningful recovery process started with the advent of petroleum in the mid-1970s. The economy was basically agrarian; the relative share of agriculture, livestock, forestry and fishing which was 65.6% in 1960-1961 has declined with the agricultural sub sector accounting for only 32% per annum in the 1990s despite the fact that the sector still constitutes the source of employment and livelihood for about three-quarters of the population, 70 75%.

In the early 1980s, Nigeria had a reasonable amount of foreign reserve with an insignificant record of foreign debt. Its currency, the Naira was competing strongly with other foreign currencies, yet by mid-1980s the economy started declining as foreign reserves became almost exhausted, and foreign debt started accumulating at an alarming rate as the naira lost its value in exchange with other currencies (Ayandiji, 2006). There is therefore widespread agreement that the rapid deterioration of the Nigerian economy and society will make it impossible for the nation to retain (the status it had previously attained within the continent of Africa, and much less globally. While it is true that investments still flow into the enclave oil industry, the same cannot be said of the rest of the economy (Ihonvbere, 2004).

Today, only Peugeot Automobile of Nigeria (PAN) is surviving with production cut from dozens of cars per day to about a dozen in a month. Such other auto firms like Styr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tyre manufacturers like Michelin and Dunlop are facing stiff competition from imported tyres from Asia and South America; Coca-Cola Bottling Company had moved most of its plant to Ghana (d) and last cultural erosion: today in Nigeria, Chinese cuisines are more popular than the local menu, and the economy of Nigeria could be said to be substantially in the hands of Lebanese, Indians, Koreans, Chinese, French people, Americans and Britons, and notwithstanding, the government recently closed down what is known as "Chinese Village in a place-where contraband products are openly sold (Ayandiji, 2006).

Evidently, globalization has brought about the domination of the Nigerian economy since its basic export is woven around raw materials. The raw materials provide basis for production and further production; whereas export in Nigeria promotes economic diversification abroad, it restricts diversification in the domestic setting. The Nigerian economy is thus not competitive in the global trade circle. The current border closure due to the problems Nigerian had with her neighbours was as a result of globalization carried to the extreme. The neighbouring West African countries were importing more than what their countries can consume thus diverting the rest to Nigeria and thereby relegating the country to a dumping ground.

## **Conclusion**

Due to the phenomenon of 'uneven development', only a few developing countries who are strategically placed have managed to secure modest benefit from globalisation. Innovations in science and technology, communication and economic relations are becoming the order of the day. The global market is becoming more complex, competitive, and interdependent. Today, the new globalization has no room for corruption-laden, mismanaged, directionless, and distorted economies. An enlightened, sensitive, open and accountable leadership is critical, to not just recovery but also the restructuring of patterns of incorporation into, and participation in the emerging global order (Ihonvbere, 2004).

Globalization cannot be achieved without removing all obstacles to the free movement of enterprise, capital, labour and goods across international boundaries. Thus, globalization requires the formulation and implementation of liberal policies; hence the politics of the integration of the world economy globalization has historically been associated with the development of liberalization. Critics of globalization are not really against greater integration of the world. All they are saying is that the inequality, imbalances and exploitative economic and trade relations built into the process should be addressed (Onyekpe, 2004), Globalization would look very different from what we are experiencing today if they were based on a system of life values rather than money values.

## **Recommendations**

There is an urgent need for a reconceptualization of development strategies and alternative approaches to industrialization. Beyond the need for the search of alternative options for developing countries is the challenge of democratic governance. Development is about people. Self-reliance development means that the people are the means as well as the end of development. The solution to development in less developed countries lies in accountability and good governance, such that public policies are made to reflect the social needs. Globalization creates problems for many cultures around the world because there is incompatibility between

human relationship and extreme exploitation of resources and the maximization of the concept of competitiveness on liberalized markets.

Nigeria supports the economic openness that globalization preaches and bears its burdens. But the authority of the Nigerian state in economic management has to be strengthened as a bulwark against the notion that entirely unfettered markets are indispensable for development to occur. Such an ideological concept if not questioned could weaken efforts at domesticating globalization for economic development in the country. The East Asian "tigers" have not followed blindly the prescriptions of the Washington consensus since their governments play important economic roles than the Western nostrums advise (Stiglitz, 2000).

The Nigerian government can benefit from that experience as the country pursues development within the context of globalization. In addition, Nigerian political leaders need to develop home grown policies to enhance the country's competitive advantage in the international market in this era of globalization. Nigeria must declare total war against all forms of exploitation, foreign and internal, and corrupt practices, so that resources generated in the domestic economy can be used for investment in production. The country must embrace full democracy based on popular participation. All restrictions must be eliminated to ensure an all-inclusive system based on the rule of law, separation of powers and due process.

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