

THE CONSEQUENCES OF GLOBALIZATION ON NIGERIA'S ECONOMY

BELLO ADAMU HOTORO*

TASIU MUHAMMAD DANGULBI**

ABSTRACT

Globalization is indeed nothing other than continuation of imperialism. Despite the fact that, the third world countries (like Nigeria) derive economic benefits from globalization, but it is a clear testimony that, the negative consequences passes by globalization by the third world countries' economy particularly Nigeria's economy counteract its (globalization) benefits. Hence, the paper examines the heinous consequences of globalization on the Nigeria's economy. In order to achieve these objectives secondary data collection method is hereby adopted by the researchers. The paper concludes that so far Nigeria's economy enjoys little benefit from globalization of which as a result finds it economic development in an unbearable situation. The paper finally recommends that, promotion of exports, industrialization, and ensuring environmental security among others will of no doubt help Nigeria to achieve positive economic development under the current globalized world.

Keywords: Globalization, Consequences, Nigeria, economy

* **FACULTY OF HUMANITIES, YUSUF MAITAMA SULE UNIVERSITY, KANO**

** **DEPARTMENT OF LIBERAL STUDIES, FEDERAL POLYTECHNIC KAURA
NAMODA, ZAMFARA STATE**

INTRODUCTION

Nigeria as a sovereign state and equally one of the recognized third world countries is indeed an important actor of globalization, that stands to derive a lot of benefits of globalization, but unfortunately the aforementioned concept wasn't Nigeria ideology but rather the ideology of some economically developed countries (i.e USA, Western Europe, Japan etc) who capitalize on the above ideology in order to favour their economic, cultural, social, political etc, need by ensuring that both vertical and horizontal relationship.

Therefore since globalization and immediate elder sister (imperialism) share the same geographical as well as ideological origin. Its consequences on Nigeria's economy are more of negative than positive consequences, in other words, its (globalization) reprehensible effect on the Nigeria's economy surpass the benefit derivable from it.

As a Nigeria's National we deem it necessary to conduct a research on the aforesaid concept by way of highlighting these consequences and in the end make same recommendations to serve as solutions to consequences to be highlighted in just a moment.

This research work is therefore divide into six sections. Section one introduces the paper, section two presented literature review, section three discussed the concept and theories of globalization, section four examines the features and instrument of globalization, section five highlights the consequences of globalization on the Nigeria's economy while section six which is the last section contains conclusion and recommendations.

LITERATURE REVIEW

The scholars' views and analysis of globalization vary significantly even among the theorists of globalization, as its consequences manifested in all sphere of human endeavors ranging from economic, political as well as social aspect. Therefore, these consequences are more common now a days and prevalence even in our place of work. The consequence on the labor market will be magnified out of all proportion by globalization and in turn, globalization plus technology will emphasize inequalities within the countries and among them. (Verde, A. 2017: 10). It is on this basis (Technology), the phenomenon connected global economy and bred liberalization included Southern countries in this process. Hence, social consequences of trade liberalization;

underfunded education and health services, retrenchments from the formal sector and resultant poverty (Shiza and Diallo 2015:2). Shizha and Diallo cited Akindele and et'al (2015) it is also perceived by some as nothing more but a new order of marginalization of African continent. Its universalization, rather than engendering new development ideas in Africa, subverts its autonomy and powers of self-determination. To further justify this assertion, Steger (2003), corroborated Akindele and et'al by saying that the contemporary manifestations of globalizations have led to a radical deterioration of politics, rules and governance. Particularly in the developing countries Nigeria inclusive, because it is naked fact that globalization is buoyed by the World Bank /International Monetary Fund (IMF), World Trade Organization (WTO), Multinational Corporations (MNCs), and G7. These organizations supported by the developed states design policies and set criteria that other states must follow. Regrettably, weak countries of the world lack the capital base, universal reach and financial command to challenge some of the policies that are capable of obstructing their development. The repercussion is huge, brain drain of experts to areas of greener pasture. It is in this sense that Globalization is seen as Westernization of the World and the developing nations were forced to join the bandwagon (Inuwa M. 2013). Therefore, the developing countries are vulnerable to the consequences of globalization because they are the victims of the circumstance and the wind (globalization) is irresistible particularly for the weak countries. To further buttress the consequences of Globalization through the activities of Western international organizations on developing countries, the civil liberties organization on its annual report 1996 stated that:

Education remained in the chaotic state as it has been

For a long time, most particularly, since the advent of IMF/WB imposed Structural Adjustment Programme.

This was in spite of the fact that the Academic Staff Union of Universities suspended its strike of 1994, which spilled over into 1995 (Stiglits 2006).

On this note, the consequences of globalization are beyond economic sphere as other aspects shown above, therefore for the Nigeria's economy to be free from external influence (Globalization) a holistic approach must be design and taken without any compromise.

THE CONCEPT AND THEORIES OF GLOBALIZATION

THE CONCEPT OF GLOBALIZATION

The word “globalization” is an ambiguous term, it means different things to different people, it may as well mean different thing to the same person. (Muhammad Abo Gazleh: 2001). It is also means interconnectedness of people and businesses across the world that eventually leads to global cultural, political and economic integration (Hundley and Fox, 2011).

According to Ruud Lubers (1998) for some globalization refers to Americanization, for others it is about the growing importance of the world market yet, other use it to describe a cultural or ideological reality: globalization as the victory of market plus democracy. For most Authors, globalization is a complex concept that involves both political, economic and socio-cultural change.

To liberal perspective, globalization refers to increasing integration of the activities and practice of human societies around the world. The integration could either be vertical or horizontal, involving increasing volume and variety of transactions, in goods and services, in international capital flows, in human migration and through a rapid and wide spread diffusion of technology (Isiaq A.A 2007:60).

To Yusuf as cited by Isiaq A.A (2007) globalization could be simply defined as openness of trade, factors flows, ideas and information.

Globalization is all encompassing ranging from politics to economics, social to technologies etc (Friedman cited by Isiaq A.A 2007:60).

To Alexander C. Ugwukah and Adam Eteete Michael (2010:211) cited Robin and Paul (2000) in their book, *Global society* assert that globalization refers to the ways in which the world knitted together.

Olatunbasun (1979) cited by Alexander C.U and Adam E.M (2010:211) define globalization as the totality of the process whereby social relations acquire relatively distant and borderless qualities.

Globalization is about the universal process or set of processes which generate a multiplicity of linkages and inter connections which transcend the states and societies which make up modern world system (Oxford Concise Dictionary of Politics 2003:223).

Globalization based on the above scholarly definitions, I hereby refer to globalization as nothing other villagelization of the world.

THEORIES OF GLOBALIZATION

Many theories exist on the above concept (globalization) such as:

1. World system theory
2. World polity theory
3. World culture theory
4. The development school of thought
5. The dependency school of thought etc.

However for the sake of this research the last two schools of thoughts mentioned above would be given attention and their perceptions on globalization would equally be analyzed below:

THE DEVELOPMENT OF SCHOOL THOUGHT

The school of thought can be traced to the neoclassical theory of economic development. According to this school of thought the contention of the Bretton Wood Institution and the core countries of the North, i.e USA, Western Europe and Japan who represent the position of the school of thought, is that globalization would further supra-territorial integration of goods, services and capital. Further, they aver that the gain of globalization would trick down to the countries of the third world, particularly as the missing links of development like capital and technology would now be place of their disposal. It must be emphasize that little or no attention is given to historical experience of Africa. (Alexander C.V &et al 2010:212).

THE DEPENDENCY SCHOOL OF THOUGHT

The above school of thought dated back to Late RaulPrebisch who in his work blamed the US base trans-nationals for the problems of Latin American countries in the 1950s

Rostow postulated than the economic imbalance between the United State and Latin Americanstates was due largely to the unequal trade between them, particularly the balance of

payment deficits paid by Latin partners. He further asserted that the structural deficiency of the internal economy were caused by capital developments promoted by western transnational corporations.

Under the theory development process of countries like Brazil, Chile etc was believed to have been scuttled by transnational corporations. To dependency school of thought no matter what attraction, globalization is nothing other than grand project of developed world to exploit the poorer countries of the third world. That is to say that other dynamic of globalization like technological innovations, the state, culture and environment are exclusive to the triad (Alexander C.O et al 2010:212-213).

THE FEATURES AND INSTRUMENTS OF GLOBALIZATION

THE FEATURES OF GLOBALIZATION

As a political, economic, social, cultural, ideology globalization has the following peculiar as well as unique features (key feature of globalization):

1. Rapid expansion of international trade
2. Internationalization of products and services by large firms
3. Growing importance of multinational corporation
4. Increase in capital transfer across national borders
5. Shift in production from one country to another
6. Increased freedom and capacity of firms to undertake economic transactions across national boundaries
7. Globalization of technology
8. Fusing of national market
9. Economic integration
10. Global economic interdependence

(Retrieved from <http://answer.yahoo.com/question> on 27/2/2018).

THE INSTRUMENTS OF GLOBALIZATION

There are many methods or instruments by which globalization is being promoted and enhanced. But the most important instruments influencing this process are:

1. **MULTINATIONAL CORPORATIONS:** These are main instrument of globalization. They possess huge capitals and assets. As profit maximizers, they established their factories in many developing countries where cheap workers and raw materials are found. Because of their size and contributions to national economics in terms of taxes and employment, they influence decision making processes in those countries. Once they established, none has the ability to stop them from withdrawing their investments or moving their capitals from one country to another whenever it is in their advantage to do so. In spite of their contributions, the given privileges are not without price. Their activities usually leave serious effects on many host economies, they even sometimes create civil unrest. This is because these companies control not only markets but also people. (Mohammed AboGazleh 2001) retrieved from www.grin.com on 27/2/2018

2. **NEW INFORMATION TECHNOLOGY:** The above is indeed a product of industrial revolution. The internet and multimedia remarkably contribute to the spread of globalization due to their rapidity, easiness and availability. Though it has huge benefits, the revolution is still possessed and controlled by some advanced nations which might use it as means of cultural influence and information hegemony. (Mohammed AboGazleh 2001) Accessed on 27/2/2018 from www.grin.com.

3. **TRADE LIBERALIZATION:** from this view point, state loses guard on her border regulatory policy in order to promote easy transaction with the neighboring or foreign states. This could come as a form of tariff relief or common and fixed exchange rate. With this market is enlarged in Africa (Isiaq A.A 2007).

4. **FOREIGN AIDS:** given variance in development process within the globe, it is not unusual for highly developed nation to assist less developed state. Such aid might not only be in terms of finance, it could be even technical services. This is just a venture forwards making the world a global village or community (Isiaq A.A 2007).

THE CONSEQUENCES OF GLOBALIZATION ON THE NIGERIA'S ECONOMY

Despite the enormous benefits Nigeria derives from globalization such as easy access to technological devices, poverty eradication, promotion of capital flows, and economic

revitalization among others. But inspite of the above mentioned but a fewbenefitswhich Nigeria stands to be achieve under the current globalizing world, the Nigerian situation has been a blithering calamity as the various microeconomic indices applied has not been able topositively turn around the economy, inflation,unemployment, armed banditry, kidnapping, terrorism and other vices continue to be on the increases thereby inhibiting foreign trade investments (African Journal Online vol. 12 No. 22010) retrieved from <http://www.ajol.info/index.php/Sophia/article/view/81150>.

To make it more lucid and convince who ever want through this paper the consequences are itemized: some of these negative effects (consequences) poses by globalization on Nigeria's economy would hereby be listed below as:

1. As a result of globalization, the debt portfolio continues to increase unfavorably to the Nigeria's economy.
2. Integrating third world countries (i.e Nigeria inclusive) into the world capital market foreconomic development purposeswhile in reality most of these countries (including Nigeria) are currently experiencing economic hardship.
3. The various processes of globalization were against the interest of developing countries almost in every aspect. Since Nigeria happened to be one of the developing countries, it therefore remains at the receiving end of the side effect of globalization rather than its gain.
4. Globalization seems to have no benefits but rather as more tools in the hands of developed countries to impoverish the economy of the host countries (like Nigeria)
5. Globalization poses threat to Nigeria natural economic self-reliance since its economy falls into the hands by American and British controlled capitalist markets and financial institutions.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION: it is now a glaring fact than the globalizationdespite it enormous contribution towards the economic development of third world countries' economy in general and Nigeria's economy in particular. But it is a known fact that its negative consequences on the Nigeria economy surpasses the benefits it brings. That is why this paper categorically concludes that going by the postulations upholds by dependency school of thought that,“globalization is a grand project of developed world to exploit the poorer countries (including Nigeria)”.

However, achieving economic developments in Nigeria remains uncertain as some issues such as poverty, unemployment, armed robbery, kidnapping, terrorism and other anti-economic development vices are on the increase hence finds its economic development in an unbearable situation.

RECOMMENDATIONS: for Nigeria to be out of this menace posed by globalization on economy, this paper proffers the following recommendations as panacea.

1. Promotion of exports
2. Promotion of industrialization
3. Ensuring environment security
4. Encourage local and indigenous participation in the development of Nigeria's economy
5. Globalization must co-exist with the traditional, economy, political and financial identities within the frame work of Nigeria's policy measures for the achievement of economic prosperity and world peace.
6. Good governance, because, the trend of globalization ongoing today in the world can only benefit Nigeria, when it leaders are determine.
7. Fight corruption
8. If all of the above yield no any dividend in positively changing the Nigeria's economy, the Nigeria's government shall democratized de-militarized de-globalized etc.

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