

Globalization and African Political Economy: The Nigerian Experience

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Abstract

Globalization is a trend that impacts everyone more and more each day. For centuries, globalization has progressively knitted together the world and created unity out of great diversity. This is a discourse on political economy of globalization and its implication for Africa with particular reference to Nigeria. This study investigates the political economy of globalization in the development process in Nigeria. It examines the impact of globalization on industrialization and the attendant problems of globalization on the Nigerian economy. In light of our findings, we recommend that Nigeria should adopt appropriate policies and strategies similar to other developed countries to compete in the international capitalist system in which we are now an integrated part.

Introduction

Globalization is a powerful real aspect of the new world system, and it represents one of the most influential forces in determining the future course of the planet. It has manifold dimensions: economic, political, security, environmental, health, social, cultural, and others. Globalization has had significant impacts on all economies of the world, with manifold effects. It affects their production of goods and services. It also affects the employment of labor and other inputs into the production process. In addition, it affects investment, both in physical capital and in human capital. It affects technology and results in the diffusion of technology from initiating nations to other nations. It also has major effects on efficiency, productivity and competitiveness (Intriligator, 2003:1; 7)

In the 1990s 'globalization' has become a particularly fashionable way to analyze changes in the international economy and in world politics. Advances in technology and modern 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. An old word in the English language with a new lease on life, governance plays a role that on the surface appears benign but on closer scrutiny becomes more sinister. One of the perspectives for examining these links and penetrating below the surface appearance of a term like governance is political economy, an interdisciplinary tradition that spans the social sciences and humanities from sociology and geography to communications and education (Sumner, 2008). In the words of Canadian political economist Harold Innis, the task for engaged intellectuals involves “questioning the pretensions of organized power” (Neufeld & Whitworth, 1997:198).

The term ‘political economy’ is used advisedly for it has been used to describe a number of different things in political science and international relations; from the application of rational individualism to the study of politics, to debates over policy with an economic dimension. In this study, the term is used to describe the changing relationship between political systems (both national and international) and economic forces (Gourevitch, 1993:716). In other words, the study is concerned with how policy-makers are being affected by economic forces, as well as how they themselves affect these forces. Following in the classical tradition of political economy, the study also address the moral debates about globalization, starting with the question ‘*cui bono?*’ (in whose interest? or who benefits?), and touching upon the possible ramifications for opportunity and inequality among a wide range of actors in a globalizing world (Hurrell and Woods, 1999).

The paper adopts the political economy approach, which treats social life and material existence in their relatedness (Ake, 1988:20). Political economy underscores the central importance of the mode of production and relations of production as a major casual factor in all social phenomena (Onimade, 1985:27). Thus an examination of the socio-economic and political development processes in Nigeria provides a useful background for the analysis of the Nigerian economic crisis. Apart from the introductory aspect of the paper, the paper is pigeon hole in four compartments. The first aspect gives conceptual explanations of globalization and political economy, the second segment look at the promises and consequence of globalization on African political economy. The third section takes a critical look at globalization and Nigerian political economy in terms of dislocations and squandered opportunities, while the last segment is the concluding remarks.

Conceptual Underpinning

In this section, attempt shall be made to explain the major concept in this study. These are; globalization and political economy

Globalization

Globalization is a widespread concept with a considerable degree of ambiguity. This ambiguity does not mean that it remains unclear or ill defined. Globalization 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).

According to Simpson and Weiner (1989), it was first used in 1959 in *The Economist* to refer to quotas of car imports. This inaugural usage was followed in 1962 by a prescient article in *The Spectator*, which referred to globalization as “a staggering concept.” Although no one at the time could have fathomed the global and local effects that it would engender, globalization grew slowly into a powerful term that has become a household word. Hotly contested and conveniently vague, globalization has taken on many meanings, from the warm, fuzzy connotations of the global village, through the rule of transnational corporations, to neo-colonialism (Sumner, 2008).

An interdisciplinary term, globalization sits squarely at the interface between politics and the economy. Its dominant form has come to be known by many names: corporate globalization, economic globalization, financial globalization, mature capitalism, neo-imperialism, neo-colonialism, or globalization from above. One perspective attempts to define it as a process of reinforcement and extension of the international flux of commerce, capitals, technology and labor force. Another perspective refers to institutional changes, which are brought about in the society by the increase of these flows and the development of the transnational corporations (Ajekiigbe, 2004). In this point of view, it stressed the weakening of the regulating function of the national states. In its stronger version, globalization implies the disappearance of the state in its economic dimensions while a subtler version considers globalization just as the loss of an important portion of the economic sovereignty. Yet another perspective refers to the growing homogenization of certain processes and behaviors like the introduction of global standards in the production of goods. However, the most extended idea in this perspective is the existence of a convergence in the demands of goods and services, a homogenization in the regulation of the capital goods and the technology (Ajekiigbe, 2004).

From a political economy perspective, corporate globalization involves “a set of structures and processes that build the private wealth of a very few people” (Sumner, 2005:126). Kwanashie (1998: 34) shares this view and asserts specifically that globalization is 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 relationship 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.

Contemporary globalization is highly information based. It combines progress in electronics, computing and telecommunication to come up with a highly dynamic process of storing, processing, transmitting and presentation of information. It gained momentum with the innovations and improvement in modern information super highways has subsequently been viewed as emphasizing on the openness of trade, factor flows, ideas and information. Kolodko (2004) identified distinct phenomena, which he described as the fundamental features of modern globalization. First, is the increase in the volume of world trade to nearly twice as the volume of output. Second, is the obvious increase in the capital flows. The third reason is that globalization is also associated migrations. Having observed the far reaching cultural change and the post socialist systemic transformation, Kolodko argues that globalization is an irreversible process especially from the point of view of incredibly accelerated information flow and decreased communication and transformation cost.

Globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. This process has effects on human well-being (including health and personal safety), on the environment, on culture (including ideas, religion, and political systems), and on economic development and prosperity of societies across the world. This comprehensive and balanced definition takes into account the many causes and effects of the process, and, most importantly, leaves room for debate and discussion of the values that different people from all over the world bring to the table. Globalization has been described as another phase of imperialism. It has significantly reduced the barriers to interstate relations among nations. The core of globalization lies in freeing a country's economic frontiers to allow unrestricted international trade in goods and services, entry and exit of foreign capital and technology and giving the foreign investors a treatment similar to that given to domestic investors (Narula, 2003).

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. Although it is a concept that means different things to different people across time and space, it essentially means the growing increase in interconnectedness and interdependences among the world's regions, nations, governments, business and institutions. It is a process, which engenders free flow of ideas, people, goods, services and capital thereby fostering integration of economies and societies. Also, it should be clear that globalization in the economic sphere has developed over the last five centuries. It is therefore, not a recent experience although it must be granted as would be shown that it has acquired more vigor over the last two decades or so. Of critical importance, however, is the fact that globalization in the economic sphere has been a complex process developed and still develops by contradictions. It is therefore not enough to regard globalization simply as the process of bringing the different areas of the world together as an enlarged and integrated economic whole. The fundamental point must be emphasized, that globalization 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.

Political Economy

Political economy is a comprehensive interdisciplinary framework that is based in 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. Questioning the pretensions of organized power requires two steps. It involves developing a critical attitude toward organized forms of power such as the economy or the state (Sumner, 2008).

The primary goal of political economy is to know how societies are, and can be, transformed. A political-economy approach helps us to develop a critical attitude toward organized power and understand the challenges and opportunities we face in building dynamic and democratic alternatives in an increasingly globalized world. According to Youngman (2000:3), the political economy approach deliberately moves the focus of analysis from individual choice and behavior to a consideration of the historical and structural context within which individual action takes place. This approach entails a number of basic concepts. First, social phenomena exist within a historical and structural context shaped by the mode of production and its class relations. Second, the manner and extent of the influence of the economic foundation on particular aspects of society is a matter for specific investigation in each case. Third, the dominance of the capitalist mode of production at the world level means that country-level studies must situate their analysis within the context of the global political economy. Fourth, the different classes pursue their own interests, and these interests are conflictual. Fifth, although class relations are the main determinant of social phenomena, they are not the sole determinant – other inequalities such as gender, ethnicity, and race have significant effects. Sixth, the conflicts in society are reflected in the state, which institutionally serves the interests of capitalist accumulation and reproduction. Seventh, intellectual and cultural lives are shaped by the capitalist mode of production and by the contestation between different classes and groups in society. And eighth, opposition to the existing capitalist socioeconomic order is expressed not only by political parties but also by social movements and other organizations in civil society that articulate alternative conceptions of society and how it should develop (Youngman, 2000:29-30).

Political economy seeks to explain the causes of the asymmetrical relations between developed and developing nations in the international division of labor 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). To date, however, it has not been used to analyze the complex connections among the rise of terms like governance, the spread of globalization, and changes in adult education. As a lens for examining society, political economy can generate new insights regarding these interrelated phenomena. It can also continue to evolve as a tool to analyze both past and present, and to imagine alternative futures.

Globalization and African Political Economy: Promises and Consequences

Without doubt, the global system is entering a new era. The end of the twentieth century has ushered in unprecedented and largely anticipated changes, at least, not with the rapidly and decisiveness with which the changes occurred. There is now almost unanimous agreement that the African economy is not improving in any fundamental sense (Adedeji, 1993). To make matter worse, African states are not developing the necessary capacities to participate in, and exploit the new opening in the capitalist-driven global order (Ihonvbere, 2004). It is in this regard, that prompted Camdesus (1995) to assert that:

Indeed, especially in the case of Africa, let us be clear that the task now before us is to ensure that these countries gain more and more from opportunities afforded by the closer integration into the world economy that such a globalised world can offer them. If they fail to take advantage of these opportunities, the risk of their marginalization will only be increased.

The above position clearly reflects the paradoxical location and the role of Africa in the emerging global division of labor and power. The end of the cold war and the increasing integration of the global economy with the triumph of the market and the demise of communism, have posed several challenges and opportunities for African continent. On the other hand, there are opportunities to fully integrate into the emerging global capitalist order to exploit the developments in science and technology, the new information revolution and the expansion of the global market (Ihonvbere, 2004).

From the sixteen to early nineteen centuries, Africa played an important part in the growth and development of the world economy, albeit only as a source of slave labor for the white settler plantations and mines in the New World. During the nineteenth century, the continent was progressively transformed as an additional source of industrial raw materials for European factories and also as market for goods from the factories (Williams, 1988; Inikori, 1982). The struggle for overseas colonies was the major expression of globalization in history.

There have been always many issues that have not systematically created consensus among Africans and between Africans and their partners, some of whom have complicated relations with Africa marked by the colonial experience and unequal global system. However, in the 1960s, there were shared euphoria, high hopes, expectations, and confidence in a brighter future for Africa that characterized the independence movements and the United Nations Development Decade. It has been a long time since there was such global convergence of

enthusiasm accompanied by internal and external commitment to contribute to the means for Africa's advancement.

In Africa, globalization was also naturally received with hope. Flows of capital in developing countries would grow promisingly: they were multiplied by six, in six years (from 1990 to 1996). People thought that all – all men and all countries – would benefit from globalization, which was supposed to help developing countries “create better economic environments’, jump into the information age, accelerate development and enhance global harmony (Akindele et al., 2002). However, African scholars see globalization with skepticism and even great concern. Churches working in Africa, including the Catholic Church, have also been worried. The Holy See published a note on finance and development, immediately before the United Nations Conference in Doha, which states: “We need to pay particular attention to Africa, where the development map shows strong inequalities. In Africa, the situation is different from country to country; there is a trend towards polarization between situations of success in obtaining resources and making them fruitful, and situations of total marginalization”.

During his speech to African heads of state and government in Lusaka in July 2001, United Nations Secretary-General, Kofi Annan, made it clear that “Africa must reject the ways of the past, and commit itself to building a future of democratic governance subject to the rule of law. Such a future,” he continued, “is only achievable on the condition that we end Africa’s conflicts, without which no amount of aid or trade, assistance or advice, will make the difference.” Earlier, in his report on Africa in 1998, Annan had stated: “for too long, conflict in Africa has been seen as inevitable or intractable, or both. It is neither. Conflict in Africa, as everywhere, is caused by human action, and can be ended by human action” (Annan, 1998).

In this context, the African continent, once accused of “making a false start” (René Dumont) in the 1960s, is being wooed by the twenty-first century giants, in particular the United States of America, China and India, not to mention its longstanding France/Africa and Commonwealth friends. Africa is waking up, courted by the heavyweights. Indeed, during the past half-century, Africa has generally undergone genuine change. Despite a measure of economic marginality and geopolitical downgrading that left it on the sidelines of globalization for a long time, it seems at the beginning of the twenty-first century, to be growing again at an annual average rate of more than 5% in the last few years. Many factors underlie Africa’s gradual integration into the “global village”. Owing to greater interest shown by some major countries, there is now a genuine African El Dorado. Its oil accounts for one third of the total imports of China, which is now the continent’s second largest bilateral trading partner ahead of France and after the United States of America. South Africa is one of the world’s leading exporters of coal and has gold and platinum reserves, among other minerals (it has become Africa’s major economic player with 45 million inhabitants and a GNP of approximately US \$130 billion, that is, a quarter of the entire continent’s GDP). Nigeria and Angola, the second and third largest oil producers in Sub-Saharan Africa respectively, accounted for two thirds of Chinese imports from Africa in 2007 (Algeria, in the north of the continent, was on par with Nigeria in terms of oil production).

China has also found a promising market for its businesses (it is already the main trading partner of Egypt and South Africa), with products tailored to the purchasing power of many African inhabitants. In 2007, bilateral trade amounted to \$73.3 billion and China had an \$8 billion trade surplus with Africa. This example also applies to India which, following a recent breakthrough in Africa, experienced steady growth in bilateral trade to \$25 billion in 2007. Close ties have been established with most of the African continent, in particular, West Africa. In addition to expanding its commercial impact, India's goal is still to ensure secure hydrocarbon supplies. Despite this great dynamism referred to as "African exceptionalism", the growing interest of political powers in African raw materials in the new strategic world order, remarkable macroeconomic figures (6.7% GDP growth in 2007) and the rise in ore and oil prices, soaring food prices and record population growth (an average of 5.5 births per woman) have wiped out capitalized benefits. This has compounded the effects of the world crisis, which has hit poor countries hardest (drop in foreign investment and in migrant remittances, capital flight, sharp decline in commodity export earnings, and so forth).

On the other hand, globalization has become a phenomenon with disastrous consequences for governments and the peoples of Africa, such as: the integration of African economies into the capitalist economy has made "colonialism" provide a legal tool for the dependence of African economy on western economies. Privatization has intensified the integration of African countries in production and finance global systems, encouraging the flow of capital investment and attracting the ownership by foreign capital of former public-held companies. Africa became the dump place of a series of products (at literature, cinema or music) that have little to do with African people, obliterating African culture and leading to a Eurocentric vision of reality. Globalization subverts the autonomy and self-determination of African peoples. The burden of external debt of the developing countries in 1994 had already reached 2 trillion dollars, according to the World Bank. Mass poverty caused citizens to be deprived of a meaningful existence. The lack of governmental incentives to local production, the subversion of local production by high imports, the exchange rate devaluation and the depletion of foreign reserves are some of the effects of marginalization and underdevelopment caused by development agents. Due to globalization, it has not been easy for governments to ensure social protection, one of their core functions and the one that has helped many developed nations maintain social cohesion and domestic political support. Furthermore, globalization also damaged the natural environment of Africa. We can mention the Niger Delta and the Ogoni people in particular, affected by oil exploration in the region, which has ravaged marine life and environment, has affected the supply of drinking water and caused a number of diseases

How, then, can Africa free itself from such an intolerable situation? For many people, mainly religious men and scholars, such as Engelbert Mveng, "the reconstruction of Africa must first start with regaining the spirituality empirically rooted in African cultural values". When Africa is able to meet those ancient cultural values again, modernized by education and sublimated by religion, it is reasonable to expect that corruption – that has "invaded" Africa primarily due to the perverse association between economy and politics – will be reduced and economy will be directed by law, which will be defined by politics, and politics itself will be led by ethics. Then, and only then, will African societies be civil and civilized. But, how can a dynamics of confident

sustainable growth of African economies be operationalized, a dynamics strong enough to eradicate the evident injustices that devastate the continent at this time of irreversible globalization?

Widely recognized is the need for a set of articulated policies able to ensure peace and security, achieve and maintain macroeconomic stability, ensure international trade and the liberalization of exchange rates, attract foreign capital, and establish the necessary economic

Globalization and Nigerian Political Economy: Dislocations and Squandered Opportunities

It should be noted that the new drive for globalization 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 (once drawn into the global economic system), at the periphery through the local extraction and transfer 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. The end result of such master-servant relationship of metropole and periphery nations like Nigeria is a gradual underdevelopment of the economies of their economies. Owing to the underdevelopment of the economy of these countries, the ruling class thus lacks the economic base to control the state. 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 state (Ake, 1996).

The Nigerian economy according to Olaitan (1995:124-137) has remained mercantilist, with buying and selling of produce/products rather than manufacturing being dominant. Turner (1978: 67) calls it a 'commercial capitalist economy'. The implication of all these is that an entrepreneurial class nurtured on commerce has dominated the Nigerian political economy (Dike 1990: 86) since independence in 1960.

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. Thus, unlike classical Marxist political economy, the "political" takes a pre-eminence position in Nigerian political economy. Hence, Ake's (1996) assertion that 'politics under-develops Nigeria' having viewed the high value placed on political power and obsessive preoccupation with politics which has impeded our economic progress.

In this section, our analysis of the present political economy of Nigeria is done with the understanding of current globalization drives in the world that the issues involved are partly political, but largely economical. To be sure, economic considerations have greatly influenced the economies of countries world over including Nigeria.

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.

The nature and impact of globalization is the subject of profound debate within political economy. We have seen that globalization is increasing interdependence among states; it is also increased global interconnectedness, and the capacity of some states to influence others. Globalization has had significant impacts on all economies of the world, with manifold effects. It affects their production of goods and services. It also affects the employment of labor and other inputs into the production process. In addition, it affects investment, both in physical capital and in human capital. It affects technology and results in the diffusion of technology from initiating nations to other nations. It also has major effects on efficiency, productivity and competitiveness (Intriligator, 2003).

The "globalization" of the world economy has moved inexorably forward. The economies of Asian countries such as China, India, Malaysia, and Thailand are booming. In the process, they are significantly increasing global demand for energy thus adding to the ever present global environmental concerns. But progress has been uneven. Beset by AIDs, poor governments and war, the economy in many African countries has deteriorated. Within the more successful countries, the benefits of growth have not reached all citizens. The manufacturing jobs created in these countries generally pay low wages and offer workers little protection against exploitation.

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 deteriorate 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 (Cogburn and Adeya, 1999).

If there was one country in Africa that had the opportunity to build a viable and strong economic base in the 1970s, 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, waste. Mismanagement and the “quick buck” 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 120 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%.

Up until early 1980, 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). In this regard, the place of Nigeria in the globalization agenda requires some in-depth study. To begin with, Nigeria is economically weak due to inadequate domestic economic capacity and social infrastructure needed to boost the country’s productivity, growth and competitiveness. Secondly, the economy is made weaker by monocultural dependency and unfavorable terms of trade in its export trade as well as excruciating debt and debt service burdens. And thirdly, before 1986, economic regimes were regulated and the country pursued expansionary fiscal and monetary policies in its development efforts (Obadan, 1998). These problems were exacerbated by political instability and corruption. As a result, investment choices were distorted, which eroded the confidence especially of foreign investors. As Hoffman (1996) once remarked; “Once expected to become black Africa’s economic showpiece and continental powerhouse, Nigeria now faces a political and economic crisis of historic proportions. In relations with the West are at an all-time low”. For Nigeria, this “all-time low” relationship holds out very unfortunate and rather negative implications. 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).

The level of industrialization and technology development in Nigeria is so low that it whittles the competitiveness of the economy in a globalized world to the point that foreign actors would have to give more, and have little or nothing to receive, since globalization is the channel of redistributing technology. This is to say that with the challenges of industrialization and technology development, the Nigerian economy is posed to encounter a Herculean task effecting globalization transactions aimed to Nigeria's advantage. The lack of zeal of domestic corporate executives to engage investment in the industrial sector exposes finance capital to the hazard of foreign invasion, which implies that foreign investors could take this advantage to expropriate the wealth of the nation, and thus hamper the strength of the Nigerian economy because capital is mobile, and globalization is about interconnectedness and interdependence as the finance capital available in the economy is being moved at will to the economy of other states.

Following the globalization trend, Nigeria has been liberalizing its economy. But the real sectors have had to function under conditions of unstable macroeconomic management, inadequate technology and credit facilities. These have proved to be an obstacle to strengthening the productive base, especially of agriculture and industry, in order to make them export-oriented. Thus, in spite of the openness of the economy, external trade performance has not been encouraging (Onwuka and Eguavoen, 2007).

The evidences of the negative impact of globalization on Nigeria are legion, for example: (a) the controversial Structural Adjustment Programme (SAP), an economic policy designed to liberalize Nigerian economy in the spirit of globalization has produced serious negative effects – including inflation, and devaluation of currency, creating new threats to human development – the argument about its faulty implementation notwithstanding; (b) globalization provides avenue for corrupt officials to loot the treasury of their countries. Many of Nigerian leaders, the most notorious being General Sani Abacha have had to forfeit hard earned foreign exchange to Western banks and collaborators with many of the loans secured for projects were repatriated abroad through money laundering. According to Ribadu (2006), the African Union estimates that as much as \$148 billion dollars yearly, or 25 percent of Africa's official Gross National Product (GNP), is lost to corrupt activities in Africa; (c) the collapse of local industries especially in the textile and automobile industries. This author as a journalist for ten years compiled statistics of about 150,000 jobs loses from 1989 – 1999. Textile materials – *Ankara brocade and Lace* – are now massively being smuggled through the porous border with Benin Republic and up North with Niger Republic. The domination of the car importation segment by the Vaswani brothers finally led to the collapse of the close to 20 automobile plants strewn across the country.

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 Steyr, Leyland, Mercedes-Benz-ANAMCO, Volkswagen, Nigeria Truck Manufacturing Company etc. have become history. Even tire manufacturers like Michelin and Dunlop are facing stiff competition from imported tires from Asia and South America; (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” – a place where contraband products are openly sold (Ayandiji, 2006).

Nigeria is an example of a disadvantaged country under globalization: Nigeria's foreign exchange earnings are highly dependent on the export of crude oil to the tune of over 90% of our national revenue. Given the slight variations for export demand of this raw but precious commodity, Nigeria is said to earn about forty million dollars per day. Nigeria is the world's sixth largest oil exporter with a daily output of some two million barrels. Shell, with 870,000 barrels, accounts for almost half of the West African country's total output. The strike, which had begun on August 27 over fears that a planned globalization policy could lead to drastic job cuts, caused jitters on the international oil market over a possible rise in world oil prices. The union wanted Shell to abandon the restructuring plan; to halt a rise in the number of expatriates brought in to work in Nigeria and to return to Nigeria a computer system recently moved to The Hague. The international oil market has been jittery in the past days as a result of the Nigerian strike amid worries that it could force up world prices (Bigman, 2002). The white-collar strike is one of a series of crises to rock Nigeria's oil industry and worry the markets this year, as ethnic warfare and a rash of pirate attacks and kidnappings rattled the oil-rich southern Niger Delta. With Nigeria's non-oil export accounting for only 0.05%, virtually nothing is gained in favor of its economy. In fact, Nigeria is nowhere in terms of competitive advantage in the globalized market in this regard. And, this is why Nigerians are still scrambling to cope with the negative effects of the fifth increase in the petroleum pump price since 1999 when the current democratic experiment commenced.

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.

Concluding Remarks

We are in the era of new globalization. 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, labor 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 or 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.

After almost five decades of achieving political independence from the British, Nigeria is still battling with the most basic needs for an acceptable human development framework. With all its acknowledged endowments, both human and material, Nigeria's socio-economic growth has been painfully slow vis-à-vis other countries with similar social and economic profiles. The decline into poverty by a vast majority of Nigerians, and the miserable social indicators of the country has not been impressive.

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 conceit 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 homegrown 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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