

Globalization and the Challenge for Nigeria's Development

Kabir Haruna Danja

Kampala International University, Uganda School of Economics and Applied Statistics

Abstract The main feature of the current economic situations in the contemporary world system is globalisation which is lead by a new age of information technology that is contrary to the History of human kind. Countries have continually intensified various efforts towards engaging in business across country's borders and distributing networks and production on a global scale. Therefore, with these trends of political, economic, social and technological forces the world is becoming a 'global village'. Based on the above the paper recognizes the existence of a global environment that is deeply embedded in interdependency and the necessity for Nigeria to minimize the negative effects of globalisation while exploring its benefits for national development and economic growth. In conclusion it is recommended that Nigeria should fully streamline and change its political economy in tidy to straight on tackle modern global challenges.

Keywords Globalisation, Challenges, Development

1. Introduction

Over the past two decades, world output has been expanding and many countries are benefiting from increased cross-border trade and investments. Many others suffer because economic regimes are inefficiently managed, and this weakness reduces their capacity to successfully compete globally (Schneider and Enste, 2002).

The events in the last decade in the global economy suggest a challenge; the utilization of the opportunity engineered by globalization while at the same time managing the problem and tension it poses, for developing countries particularly Nigeria. While some individuals such as Dani (1999) David (1997) and Salimono (1999) opine that globalization opens opportunities, others such as Awake (2002) and Garry (1998) express fear about globalization. Probably it is fear anticipated by the people of the world that in December 1999, a meeting of the World Trade Organization, held in Seattle, U.S.A was interrupted by riot. The demonstrators feared the effects of globalization on the people and on the planet. Since that time anti-globalization movements have spread across the globe. It is however observed that advocates of globalization hail it has the panacea for the most world problems.

2. Objectives

The broad objectives of the paper is to find out the challenges Nigeria faces in terms of economic, political, social and technological development within the global arena.

Also the aims at given a possible recommendations and suggestions for way forward to the Nigerian development in the global economy.

3. Methodology

The focus of this paper is the recognition of the existence of a global environment that is deeply embedded in interdependency and the necessity for Nigeria to minimize the adverse effects of globalization while harnessing whatever its benefits for national development. Following the introduction, the paper examines the phenomenon of globalization and the multidimensionality of its conceptual usages. It then provides an overview of the two major contrasting paradigms that underpin discussions on globalization. This is followed by the analysis of the powerful forces that propel globalization in contemporary world environment. It also discusses the challenges that the current globalization poses for Nigeria.

4. Results

The paper in its results finding it submits that Nigeria should completely restructure and transform its political economy in order to meaningfully confront the challenges of globalization.

5. Discussion and Conclusions

* Corresponding author:

khdanja@yahoo.co.uk (Kabir Haruna Danja)

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5.1. Discussion

Globalization and Its Conceptual Usages

The phenomenon of globalization is a multi-dimensional and multifaceted process that encompasses political, economic, social and cultural dimensions that have been variously explained in different terms and contexts. Viewed from a general perspective, the notion of globalization is broad and diverse. Our analysis in this paper is focused on its challenge for Nigeria's development in the 21st century. It is considered germane however to consider first the multi-dimensionality of its conceptual usages.

Due to its multivariate nature, globalization does not lend itself to easy conceptualization; and like other concepts in social sciences, it is not amenable to a single, simple and straight jacket definition, which perhaps explains its various connotations by scholars of different persuasions as internalization, universalization, liberalization, westernization etc. As Jibrin Ibrahim, drawing from James Mittleman, insists, globalization is not a single unified phenomenon but rather "a syndrome of processes and activities, which embody a set of ideas and a policy framework organized around the global division of labour and power" (Ibrahim, 2002:3). In a similar vein Tade Aina forcefully submits that:

any meaningful and relevant understanding of globalization in Africa must go beyond the myths and ideologies of globalization to the confrontation with the diverse but actual processes, how they unfold, their relationships with themselves and other social and economic relations and dynamics. Such an understanding must also recognize not only the complex but varied history of the processes being studied but it must reject a monolithic or homogenized understanding such as that found in the currently neo-liberal confrontation of the subject. (Quoted in Dauda Abubakar, 2001: 16).

There is therefore no unanimity of opinion on what constitutes globalization; neither is there a consensus concerning the extent of its advancement as a concept.

For a thorough understanding of the concept however, there is the need to reflect briefly on the thrust of the discourse which in literature has been classified into three main clusters – globalization as implying global culture; globalization as the expression of the global political order; and globalization as depicting global economy. Hence, as Symonides perceptively submits, globalization is generally "the process of growing interconnection and interdependence in the modern world. It is generated by growing economic, cultural and political cooperation and links, as well as by the need to respond together to global problems which can be solved only on a planetary scale" (Symonides, 1998:28).

Dauda Abubakar pungently argues that globalization "entails universalization whereby the object, practices or even values transcends geo-political boundaries, penetrating the hitherto sovereign nation state and impacting the orientation and value system of the people" (Abubakar, Op.cit). In a broader perspective, Tade Aina posits that globalization depicts "the transformation of the relations between states, institutions, groups and individuals, the universalization of

certain practices, identities and structures, and perhaps more significantly, the expression of the global restructuring that has occurred in recent decades in the structure of modern capitalist relations (Aina, 1996).

In its most generic and broadest sense, Mike Kwanashie sees globalization as a part of the movement of history as evident in certain forces that appear to push for increasing integration of human activities with emphasis in contemporary world focused more on the economic aspect of the process. It is a process of increased integration of national economies of states with the rest of the international system in order to create a more coherent global economy (Kwanashie, 1999:17). The process has been increasingly propelled by the revolutionary trend in information technology that combines advancement in computing, electronics, and telecommunications which has brought up "a highly dynamic process of storing, processing, transmitting and presenting information" (Ibid:20). As Nuhu Yaqub copiously observes, globalization "refers to the tremendous revolutionary changes that have affected our planet as a result of changes that have also taken place in information and communication technologies - processes that have, cumulatively, led to the villagization of the globe" (Yaqub, 2003:45).

Broadly speaking and from the perspective of the UNDP National Human Development:

Globalization can be defined as a multidimensional process of unprecedented rapid and revolutionary growth in the extensiveness and intensity of interconnections on a truly global scale" (UNDP: National Human Development Report, 2000/2001).

From the foregoing, a fundamental feature of globalization is that the economies of modern nation states have been highly integrated to the extent that the internationalization of trade and economic activities has become imperative. The interdependency is profoundly informed, as Mufana Lipalile observes, by enhanced international trade, sustained financial flows, increased inter-country mobility as well as improved communication arising from the innovative existence of cellular telephones, electronic mail, the internet and digital satellite television (Lipalile, 2001:296).

Strands of Thought on Globalization

There exists a plethora of works on globalization (see for instance Aina, 1996; Ake, 1995; Appadurai, 2001; Clark, 1999; Nabudere, 2000; Ninsin, 2000; Mittleman, 2000; Rugumamu, 1999; Scholte, 2000; Tandon, 2000; etc.), perspectives on the subject however differ fundamentally depending on the ideological conviction of different scholars. In general, the phenomenon has been conceived from two contrasting paradigms namely globalization as interdependence and globalization as imperialism. Scholars of globalization as interdependence are of liberal persuasion. They see the concept as a framework of complex and growing interdependence among nations. The global socio-political and economic integration is viewed in the context of inter dependencies which has restructured the

world into a new and all inclusive social pattern. They associate globalization with economic liberalization as a policy option for the development of the south through a process of free trade, investment and capital flows between countries.

Scholars of globalization as interdependence have consistently maintained that globalization is the rational end point of human development, and that it is capable of impacting positively on the life of state actors that integrate their economies. Francis Fukuyama for instance, in his treatise 'The end of history and the last man' perceives globalization as universalization of western values. He proposed the celebration of a globalized world and the unabashed victory of political and economic liberalism that is evidenced in the triumph of western ideas and values and in the exhaustion of viable systematic alternatives to western liberalism (Fukuyama, 1992). Severine Rugumamu opines that globalization is not merely a buzzword; rather it is "a new paradigm in international economic relations which apparently signals the triumph of capitalism on a truly global scale following the end of the cold war, the collapse of the Soviet system and the dissolution of planned economies, particularly in Eastern Europe" (Rugumamu, 1999:3).

Jan Scholte identifies globalization as deterritorialization or as spread of supra-territoriality. He opines that the phenomenon constitutes a transformation in the spatial organization of social relations and transactions (Scholte, 2000). Proponents of globalization as inter-dependency therefore see a better world if nation states would realize and utilize to the maximum the opportunities presented by inter-dependency resulting from globalization. Their belief is hinged on the premise that interdependency has opened up the world, reduced the abuse of human rights, and eradicated, to a large extent, social and economic injustices by national governments.

Advocates of globalization as imperialism on the other hand are mainly of the radical persuasion and political economy genre. While the interdependence school of thought on globalization claims that interdependence is the reality of globalization and that it constitutes a positive development in world affairs, scholars who view globalization as imperialism insist that the phenomenon as it is today represents nothing but capitalism and imperialism. Ali Mazrui calls it "the new global imperialism". Scholars that allude to the same position have proclaimed that globalization is a transformatory capitalist project, which can only serve to impoverish the underdeveloped nations on the fringe of the world capitalism. Claude Ake, for instance, sees globalization as a capitalist project that is structured to perpetuate the underdevelopment of Africa and other Third World countries. He construed globalization in terms of profit maximization, and perceptively referred to it as the march of capital across the world, in search of profits; a process that is facilitated by the expansion of multinational corporations, and driven by the technical advances in communication. In his words:

Globalization is about growing structural differentiation and functional integration in world economy; it is about

growing interdependence across the globes, it is about the nation-state coming from under pressure from the surge of transnational phenomenon; about the emergence of a global mass culture driven by mass advertising and technical advances in mass communication (Ake, 1995).

Alluding to Ake's contention, Edwin Madunagu sees globalization as the rapid expansion of capitalism. He believes that:

The rapid expansion, through giant multinational companies, of capitalism to several areas of the world, including areas where it had hitherto been resisted or put in check side by side with this expansion, is the phenomenal development of computer technology, telecommunication and transportation. The latter serve as the main vehicle of the former. Globalization is globalization of capitalism, not the globalization of a "neutral" economic system or globalization of post-capitalism as the imperial intellectuals and their slaves in the underdeveloped countries would have us believe (Madunagu, 1999:53).

Daniel Nabudere similarly submits that globalization is a capitalist economic project that is propelled by two contradictory movements – first, the tendency of economic globalization to create uniformities in the entire world; and second, the tendency of marginalization and fragmentation, which the phenomenon connotes. He summed up that these two processes make it possible for globalization to spread out its risk and losses throughout the global arena (Nabudere, 2000).

Thus, can it be contended that globalization appropriates development for one part of the world and underdevelopment for another? How has this been actualized? and what should be done in order to confront the challenges posed? There is no doubt that globalization has impacted differently on the two parts of the global system. While it strengthens the already developed advanced western countries, it marginalizes the peripheral economy of the Third World countries. K.A Ninsin elegantly captures the scenario in his description of globalization as "the engine by which the economies of the world's weaker nations are being opened up and subjected to the hegemony of the developed capitalist economies" (Ninsin, 2000:5). Felix Oriakhi alludes to the same position when he states "globalization super-imposes the values of the North on the South by accelerating the successful penetration of capitalism and other bourgeois ethos into the nooks and corners of Asia, Latin America and Africa and the erstwhile non-capitalist states of Eastern Europe" (Oriakhi, 2001:24). In a seminal work, Esko Toyo insists that globalization is an alternative imperialist policy deliberately designed to maintain their structure of impoverishment on their satellite states (Toyo, 2000).

The two paradigms - globalization as interdependence and globalization as imperialism-generally reflect the deep ideological and political predilections of the different scholars. What is of more concern and relevance however is that globalization, from which ever perspective it is construed, has its merits and shortcomings; and as Bill Clinton, former US president, contends, it is "a fact and not a policy

option “ (Quoted by Lipalile, 2001: 295). Cuban president, Fidel Castro’s position is equally germane. Globalization, to him, portends a law of history and the consequence of the development of the productive forces, or in simple terms, the development of science and technology (Ibid). Hence, in spite of its adverse effects, it is in the interest of a nation to harness whatever the benefits of globalization for upward national mobility.

Forces of Globalization

Three main powerful forces that propel globalization in contemporary global environment can be discerned, namely, economic liberalization, technological revolution and democratic system of governance. (Usman, 1999:45 – 63; Kwanashie, 1999: 15-27).

Economic liberalization

The first pillar of contemporary globalization process in the modern world today is economic liberalization, which has been accepted by virtually almost all countries and major international institutions within the global system. Economic liberalization is simply seen as the process of achieving unobstructed economic activities. It seeks to remove all problems to trade, production and investment; emphasizes freedom of economic activities and dominance of private enterprises; and aims ultimately at the divorce of the state from the economy (Onyekpe, 2001:52). At the global level, economic liberalization attempts to make all economies fully open for free inter-penetration and inter-state access.

Issues relating to the forces of economic liberalization are generally more difficult than and not as obvious as in technology. In effort of economic liberalization, the global system is divided into various groups. In one group are the industrialized (G8) countries that work closely with the world financial institutions (IMF, World Bank) and Trade (WTO) institutions, and target a broad and ambitious agenda that attempt to build international capitalism on the foundations of open world trade and capital flows, privatization, balanced budget, freeing up of exchange controls and similar deregulation and liberalization measures (Usman, Op. cit: 52).

In the other group are the ‘Asian- Tigers’ who have, through economic liberalization process, achieved unprecedented growth in their fragile economies. The countries, in addition to economic liberalization, have used other policy instruments to expand Foreign Direct Investment (FDI) and attain higher economic growth. These include developing a strong production base; opening up of new investment areas; as well as designing and implementing sound macro- economic policies. They have also created a conducive climate and stable political and economic environment to attract foreign investments. These policy measures have enhanced the expansion of FDI in the countries, and led to their rapid growth and development. Other groups of countries that have achieved momentous feat as a result of economic liberalization include the transition economies of the Eastern Europe as well as the Latin American countries. Also included are the African States most of which have suffered tremendously from extreme poverty and lack of policy focus.

Thus, it is obvious that economic liberalization is now a common feature among nation states.

It can therefore be rightly concluded that no country in contemporary world can really be an island unto itself, either due to its vibrant economic strength e.g. United States or because it decides to close its doors to the outside world like China successfully did in the past. The critical message of globalization in this context is that in the existing moment of integration of global markets, Nigeria and other developing nations have little choice but to try and join the globalization train despite of their disadvantaged position in the process.

Technological revolution

That the world is currently experiencing phenomenal changes in social, political, economic and technological spheres cannot be disputed. One fundamental instrument for this increasing transformation is technology, especially computer technology, and the evolution of low cost, global communications system which constitute major challenges that will dominate and fundamentally shape developments in the 21 st century, particularly in the economic and financial sectors. (Usman, 1999:48). The revolution in computer technology, has led to the advancement of information technology, which has in turn enhanced the level of information transmission and business transactions across the global system. Indeed, the revolutionary changes that have occurred in computer technology since the latter part of the 20 th century have brought about tremendous improvements in all facets of human endeavour.

Today, the use of computers has increasingly become quite commonplace in pure scientific research, social science and especially in managerial decisions. The significance of the strong force of technology can best be illustrated by reference to the financial system. Globalization and information technology have thrown up formidable challenges for national economies, especially the financial system, by reducing the world further into a global village, and as well by providing enormous information through a wide range of inter-connectivity. The interconnectivity (network) of computers has given rise to the development of Internet, which constitutes the largest network and largest reservoir of all types of information in the global system (Ibid).

Furthermore, information technology in particular has combined progress in electronics, telecommunications and computing to bring about a highly dynamic process of storing, transmitting, processing and presentation of information. This has led to increasing capacity for new and efficient responses to antiquated problems. For instance, more efficient production processes are now possible and countries with the necessary capacity are embracing and adopting them in a bid to maintain a competitive edge within the changing world environment (Kwanashie, 1999:20). Information technology has equally provided tremendous opportunity for the exploitation of economies of scale, making for rapid growth and conferring comparative advantage to those that have access to it. Consequently, it is increasingly promoting the internationalization of productivity and markets, which is crucial to the globalization process (Ibid).

Democratic system of governance

The third major force of globalization in contemporary world is the general acceptance of democratic forms of governance. In modern political system, democracy is the preferred system of governance. This is in view of its relationship to good governance with its inherent features including rule of law, democratic participation, probity, integrity, and transparency. It is also preferred because it posits and insists that power springs from, and therefore belongs to the people and that those who exercise power should use it in the interest of the people, or at least, the majority of the people (Yusuf, 1994: 113). In addition, democracy demands unequivocally that while the majority should rule and even in most cases, have its way, the minority must be able to have its say, and its say must be listened to while its rights must be respected and protected. Preference for democracy also springs from the fact that it demands that people should be availed equal opportunities to participate in the administrative and decision making machinery of the state; and that there should exist a free, fair and independent judiciary; equality of all before the law; supremacy of the law; and fundamental human rights for the people (Ibid).

While there has previously been virulent anti-democratic tendencies and suppression of democratic rights of the people, the pendulum is contemporaneously swinging in favour of democracy and democratic governance. Democracy, although varied in form, has in contemporary global system, become widely accepted as the form of governance that advances the interests and aspirations of the majority of the people. This is underscored by the failure of various authoritarian regimes including the erstwhile military and civilian dictatorships in many parts of the world, as well as the collapse of the communist system that provided for usurpation of power by a small clique of bureaucrats over everyone else in the society (Usman, Op. cit: 54). The manner of rejecting and isolating non-democratic regimes globally also attests to the changing fortune of democracy as a formidable force and most acceptable system of governance in the global system.

Challenges for Nigeria

Nigeria, at independence in 1960, was largely a producer and net exporter of primary products. The six major agricultural products then were cocoa, rubber, palm oil, groundnut, cotton and palm kernel. Although there existed mining and quarrying activities, these were of negligible percentage and never counted for the economy as a whole. In other words, agricultural produce and raw materials constituted the sole foreign exchange earner for the country. Specifically, the Nigerian state as an exporter of agricultural goods had 69.4% of its total GDP for the year 1963/64 comprising the six aforementioned agricultural commodities (Olaloku, 1979:8).

The trend of having agriculture as the main foreign exchange earner for Nigeria stopped in the early 1970s when the country was suddenly awash with petrol dollars arising from the quadruple increase in the price of oil in the world market. From 1972 onwards, oil gained ascendancy over all

other commodities as the largest contributor to the GDP, and also as a major foreign exchange earner. There was substantial increase in oil production accompanied by a sharp increase in the global market price of high-grade crude oil from low price of \$3.8 per barrel in October 1973 to a skyrocketing price of \$14.7 per barrel in January 1974. This trend continued till 1981 when the price of crude oil attained a high level of \$38.77 per barrel. Within the same period, total revenue from oil rose correspondingly from N1billion to N4billion while external reserves increased from N180million to N3.7billion in 1975 (Osaghae, 1998:96).

The increase in national wealth resulted in the government of the day embarking on rapid expansion of the public sector and squandering of the wealth on expanding distributive instead of productive capacity; and on increased dependence on external goods and inputs (Ibid). By 1978, oil (Petroleum and associated components) composed a total of 89.1% of Nigeria's export as against agriculture, which had plummeted in its contribution to export to 6.8% in the same year. The fact of the matter is that Nigeria's commodity pattern has, since the advent of oil, been a 'mono-cultural' one with the product being the only one the country depends upon for its foreign exchange earning - a situation that has constrained the pace of its developmental efforts.

Thus, it can be unequivocally asserted that Nigeria's development impotence cannot be solely attributed to colonialism, neo-colonialism and imperialism as often perceptively advanced by scholars of radical persuasion; but also to its own weak domestic economic structure. There is therefore the necessity for the country to diversify its economic base in order to confront the challenges of contemporary globalization process and remain relevant in the scheme of world events. The economies of South East Asian Countries especially the Asian Tigers namely Taiwan, Hong Kong, Singapore and South Korea as well as Thailand, Malaysia and Vietnam are successful stories of how diversification has enhanced their economic developments. The success recorded by this Newly Industrialized Countries (NIC) can be duplicated by Nigeria in its current efforts toward economic transformation.

For instance, as a means of liberalizing its economy, revitalizing its financial sector and generating foreign exchange earnings, Thailand placed top priority on exports. Its economy was liberalized thus encouraging foreign investors. The country's manufacturing sector has emerged as a formidable engine of development in the kingdom with traditional exports in the agricultural sector performing quite successfully. In 1996, Thailand exported about US\$9billion worth of goods to the European Union alone, and by 1997, the country's exports had become highly competitively priced for foreign buyers (Akinbobola, 1999:65).

Similarly, in the manufacturing sector, there has been a phenomenal increase in the exports categories. A dramatic development has been the automotive industry in which several big automobile makers have set up production lines in Thailand, thus making the country to become a regional leader in the production and exportation of automotive. In

1996, automotive exports to the European Union alone amounted to US\$205million signifying an increase of 38% over the preceding year (The Economist, cited by Akinbobola: 66).

It is interesting to note however that in spite of Thailand's advent of high technology, the country has remained deeply committed to its agricultural base and has indeed emerged as one of the world's leaders in agro business. In general, Thailand has confronted the challenge of globalization by liberalizing its economy, embracing internationalization of capital and opening new markets across the length and breadth of the world. Hence, Thai's products (manufacturing and agricultural) are found all over American, European, Asian and African countries (Ibid). Nigeria can tremendously benefit from Thailand's experience. The Nigerian economy must be completely diversified rather than remaining mono-cultured.

Furthermore, there is the need to ensure a free competitive economy. Taiwan represents one of those Asian nations that have transited from government guidance to a free competitive economy, and thus liberalizing its economy for foreign investors. Today, there exists in Taiwan, foreign investments in construction, power generation, oil refining, real estate, telecommunications and gas stations. In concrete terms, foreign investment has been quite staggering. For instance, United States accumulated investment in Taiwan amount to US\$7billion representing about 30% of total approved foreign investment in the country. Taiwan has huge foreign investments in South East Asian countries and all over the globe. The country also has a large chunk of human resources ready to be utilized by foreign firms. All these have been made possible because of the country's dynamic efforts towards a free competitive economic structure.

The challenges posed by globalization for Nigeria are multifarious. These are considered in the same manner that we articulated the forces that propel it. First, for the country to be fully integrated into the world economy and in order to harness the benefits of such integration, it must embark on serious technological revolution. As Shamsudden Usman pungently remarks, "the pervasiveness of technology is such that a country ignores it at its own peril" (Usman, Op cit: 56). In order to ensure technological revolution, the country's technological base must be developed. Science and technology should be made a formidable part of the key strategic area of its developmental effort. The need to fundamentally transform the nation's educational, health, agriculture and industrial development has therefore become an imperative demand.

Due attention must equally be focused on information technology and telecommunication. In contemporary global economy, information technology and the ability to use it are very critical. While computers and other electronics gadgets are already in place and do not need to be re-invented, there is the need to ensure that the enabling environment for their uses is provided. Hence, adequate basic infrastructures such as power supply and telecommunications must exist regularly and uninterruptedly. Similarly, industrialization, in-

cluding manufacturing and fabrication should be re-invigorated, while agriculture should be re-positioned with mechanized farming fully embraced to enhance agricultural productivity.

The second challenge relates to economic liberalization. The liberalization policy of the 'Asian Tigers' tremendously enhanced their development. This entails liberalizing the economy, internationalizing of capital, opening new markets and attracting new investments. This poses a great challenge to Nigeria. We agree with Usman that the Nigerian economy must not only be diversified, but also built on sound economic policies including those that will necessarily ensure increased domestic savings; continued reform of the domestic financial sector; opening up to foreign capital inflows, while simultaneously protecting the country from the huge destabilizing effects of short-term, speculative capital inflows; and together with other developing countries, continue to champion the necessity for the reform of the global financial system that ensures shared prosperity and a greater inducement to the development of the weaker countries (Ibid:58).

The heavy dependence of the country on crude oil exports has unprecedentedly "exposed the economy to the boom-and-bust cycles and the concomitant unstable and unpredictable volume of revenue receivable by the government" (Yaqub, 2003:41). For instance, Nigeria's total export receipts from goods, services and transfers dropped from N10,899.6 million in 1979 to N7,884.2million in 1983. The country's import, at the same time increased from N9,890.1 million to N11,022.1million during the same period (CBN Economic and Financial Review 1981-1986). This also affects contributions to the country's Gross Domestic Product (GDP). For instance as at 1999, oil and gas contributed 36.5% of the GDP, while agriculture (including livestock) accounted for 32.8%. In the same period, wholesale and retail trade contributed 16.6%, while manufacturing accounted for only 5.5% of the GDP (Anyia, 2001:15). There is therefore the need for the country to diversify the economy and focus on non-oil sector, particularly agricultural and mineral resources.

In addition, the country should maintain a healthy investment climate that can be cashed on by foreign investors. It should also pursue efficient and effective economic management of the country's resources so as to raise the people's standard of living and overall economic development of the nation. It must be stressed however that in its bid to liberalize the economy, the unbridled activities of the Multinational Corporations in the country should be closely monitored and controlled so that the country will not be reaped off by foreign capital. The fact that globalization entails 'opening up' does not signify that the economy should be completely left uncontrolled.

Democracy constitutes the third challenge that globalization poses for Nigeria. Democracy has become an acceptable form of governance in the world system. Indeed, no authoritarian or dictatorial regime is fashionable any longer in the global environment. As observed by the UNDP National

Human Development Report:

The end of the cold war provided a historic opportunity for a world-wide liberal democratic revolution. In view of the western industrialized market economies, the collapse of authoritarianism and socialist central planning has revalidated the claim of liberal democracy, the doctrine of individual freedom and popular democracy, as an ideology of potentially universal validity" (UNDP, National Human Development Report for Nigeria, 2000/2001, p.2).

Nigeria regained its civil rule in 1999 after about fifteen years of uninterrupted military dictatorship. The persuasive lack of democratic system of governance for several years had significantly deteriorated the developmental pace of the country. Following the restoration of civilian government therefore, there is the need for democracy to be fully entrenched and sustained. As stressed in the National Human Development Report, "there must be a strong and vibrant civil society, good governance, effective dynamic relationship between people and the government and entrusting the management of the state in the hands of men and women of high technical competence and integrity" (Ibid, p. 42). The country must be truly committed to, and demonstrate the capacity for good governance as a bedrock for a durable democracy.

5.2. Conclusions

In this paper, it has been demonstrated that globalization as a phenomenon has assumed a new phase in contemporary global political economy, and that Nigeria must equip and package itself effectively to confront its challenges in the 21st century. The paper also articulates the view that globalization in its current dimension is characterized by three distinct but interrelated features: the integration of the economic systems of nation states into 'global economy'; the primacy and supremacy of international markets and international competitiveness; and the phenomenal rise in the internationalization of labour, capital and portfolio investments.

The paper critically examined the three forces that propelled globalization namely technological revolution, economic liberalization and democratic governmental system. It submits that the new thrust of globalization makes it imperative for nation states to understand the intricacies of the phenomenon so as to enable them devise strategic ways to harness its advantages. The challenges of globalization must be faced by developing nations for them to be relevant in the global scheme of things. For Nigeria, in particular, the challenges are enormous but not insurmountable.

Nigeria cannot afford to remain aloof and be completely isolated from the global economic interplay. The country should make conscious effort to transform the economy so as to fully harness the benefits of globalization. The various endogenous and exogenous constraints that have continued to undermine macroeconomic stability in the country should be seriously tackled. The critical sectors of the economy that constitute the basis for sustainable growth e.g. agriculture,

mining, industry and energy should be the core concern of economic policy, and hence properly harnessed for the country's development.

The nation's technological base should be re-activated; hence the need to earnestly complete the Ajaokuta steel rolling mill, the Aladja steel plant and the Katsina, Jos and Osogbo steel rolling mills. In concert with other African states and using the instrumentality of the New Partnership for African Development (NEPAD), Nigeria should work assiduously to ensure the collaborative involvement of all stakeholders in African development through the promotion of regional economic blocs.

Finally, it must be stressed that given the nature and character of the Nigerian state with its inherent weak domestic base, globalization, certainly has its adverse implications on the nation's economy. However, in order to minimize the negative effects and harness whatever benefits of the current growing and overwhelming globalization trend; there is the necessity for a complete restructuring and transformation of the Nigerian political economy.

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