



## EFFECTS OF GLOBALIZATION ON THIRD WORLD DEVELOPMENT: THE NIGERIAN EXPERIENCE

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**ABSTRACT:** *The study examines globalization and its effects on third world development with emphasis on the Nigerian state. The growing global economy was fastened mostly by information technology, international trade, culture, political, and social activities across the globe. It has no doubt created a global dual phenomenon where third world countries continued to experience economic and political development at the expense of western world. Thus, third world countries are fully incorporated into the global capitalist economy but the accrued benefits are not evenly distributed. Globalization is another form of colonization of third world countries achieved through the use of exploitative instruments like World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, multinational corporations and other international financial institutions in order to capture the world in the name of globalization. These aforementioned instruments in the name of globalization are diversionary and plausible because there is no country in the world that is in the process of development as a result of globalization or that has developed as a product of globalization. The pro-globalizers deceive third world countries, that globalization is a path to development in which all third world countries are supposed to follow in order to become developed. Nigeria, in the current wind of globalization remains a clientele economy in the competitive global market. The study adopts documentary research methods and relied majorly on secondary data and modernisation theory was adopted as the theoretical foundation of the study. The study revealed that underdevelopment in Nigeria resulted from the negative effects of globalization are to explore the political impacts of globalization and imposition of foreign rule in Nigeria, to explore the economic impacts of globalization and unequal terms of trade in Nigeria and to identify the role of Nigeria as giant of Africa in global markets. The study, however suggest economic diversification and exportable capacity of the third world economy in the global market, regulation of international capitalist structure through applicability of market friendly policies devoid of stringent market policies placed on third world countries by the developed countries and Improving bank regulations of the third world countries nations banks are well regulated to their boost economic growth. The study concludes that there is interconnectedness between globalization and development in Nigeria, which in turn increases the rate of unemployment of masses and hinders political and economic development in Nigeria.*

**KEYWORDS:** Globalization, Development.



## INTRODUCTION

The world has witnessed tremendous interdependence in the last three decades, whose main driving forces are naturally enhanced by the process of information technology, competition and globally initiated policies, which subordinates domestic economies of nations to global market conditions and practices. Globalization is a complex and multidimensional phenomenon which means different things to different people across countries, regions and times. However, in its present usage, globalization refers to the growing tendency of interactions, interconnection and integration of countries on a global scale. United National Development Program (2001) perceived globalization as a multidimensional process of unprecedented rapid and revolutionary growth in extensiveness and intensity of interconnection on a purely global scale. Globalization is the interconnection and interdependence between all parts of the world, particularly at all levels of the economy and communications, such that former national barriers to the movement of information, finance, goods, services and entrepreneurship are being drastically reduced and everybody now has to compete with everybody in what has now become a global village and single global market (Usman, 2004).

Globalization is a concept that has become a subject of debate among scholars of various persuasions who intend to understand its nature, character, and ramifications. Its pervasiveness makes it important to study and difficult to ignore. Thus, the process appears to reinforce the hegemony of the core capitalist state while replicating underdevelopment for the third world countries. The great changes involved in restructuring the world today, the single most important force may prove to be globalization with a market driven and multidimensional process, globalization rendered obsolete the invented division of the world into developed and developing countries, industrialized and industrializing nations, and core and periphery. Globalization in the recent global economy has raged since the collapse of the Soviet Union in the early 1990s and the subsequent introduction of the new world order with its globalization agenda that the world is turning to become a good place for both the developed and the developing countries. But the spread of the globalization agenda as encouraged by the Western countries is seemingly to their advantage.

Third world countries are gradually reclining into poverty, economic stagnation, insurgency, terrorism and political crisis with nothing to celebrate in the global economy. Thus, globalization and development in third world countries is aimed at encouraging a neo colonial system of domination by the International Monetary Fund (IMF), the World Bank and other international financial institutions to create a global free market for goods and services to the advantages of the European countries. Developed nations of the world are the beneficiaries of globalization to a large extent as their share of world trade and finances has been expanded at the expense of developing countries. Thus, this process exacerbates inequality between the world's regions and poverty in the developing world. Nigeria has not benefited from globalization due to her largely dependence on crude oil, inability to attract increased foreign investments and her huge indebtedness.

The wave of globalization has been domesticated in Nigeria through diversification of exports, debt reduction and expanded cooperation with other countries. The Nigerian state is required to be strengthened as bulwark against the dictates of foreign capital due globalization. The impact of globalization on third world countries and the process of globalization is not a new phenomenon especially with the industrial goods but some African countries have traced



globalization back to the cocoa boom of the 17th century which was perceived as the growing integration of economies and societies around the world as a result of flows of goods and services, capital, labor and information technology.

Globalization was intensified during the decades up till the mid-1990s that has also created the new wave of trade liberalization as a result of negotiations in the general agreements on tariffs and trade and the world trade organization, especially the economic reforms that have liberalized markets in third world countries. Most countries of the world have not equally been affected positively by the recent wave of globalization as it has not led to development of third world countries but rather has caused poverty, under-development, instigated crises and also caused citizens in third world countries to migrate to the western countries in search of a better life. Globalization is also known as being constituted by a set of processes which is intrinsic to the dynamism of modernity as a concept, referred to both to the compression of the world, a new form of imperialism, and the intensification of consciousness of the world as a whole. Therefore, such interactions between the developed and the developing nations has and will continue to cause a potential damage for a lot of poorer nations like the third world countries.

### **Statement of the Problem**

The entire globe has been reduced into a global village, so much that peoples of different countries are no more restricted by their national boundaries to reach out to other people in different part of the world to do business transactions with one another and other related matters across national boundaries without hindrances to space, time and geographical locations. The problem of achieving sustainable development in the new global socio-economic and political dispensation happened to be one of the major problems facing third world countries due to the process of integrating the peripheral economies into the global capitalist system. The basic interest of a nation as it relates to autonomy, sovereignty, external and internal territorial integrity are willingly and coarsely negotiated away due to globalization. It has been argued to a large extent that there must be an attractive climate for foreign investors.

However, the Nigerian state is confronted with issues of political impacts of globalization and imposition of foreign rule in Nigeria has affected its crucial decision-making process as a sovereign state; the economic impacts of globalization and unequal terms of trade in Nigeria has stunted her economic growth since Nigeria are price taker and not price decider in global markets and negative effects of globalization despite her role as giant of Africa in global markets. Nigeria is not fully integrated enough into the world economy, and therefore, does not benefit much from globalization since global policies of economic liberalization and openness come with certain restrictions. Thus, the principles and tenets of globalization, though, are widely acknowledged but there are a series of practical issues that have inhibited unfettered application. The reluctance to fully participate in the global trading system is premised on the fact that it's been relative to the industrially advanced countries.



## **Objectives**

The general objective of this study is to explain how the economic and political impacts of globalization affected development in third world countries with particular reference to Nigeria.

The specific objectives are:

1. To explore the political impacts of globalization and imposition of foreign rule in Nigeria;
2. To explore the economic impacts of globalization and unequal terms of trade in Nigeria; and
3. To identify the role of Nigeria as a giant of Africa in global markets.

## **Research Questions**

For purposes of this study, the following research questions will guide the study:

1. How have political impacts of globalization led to imposition of foreign rule in Nigeria?
2. How has the economic impacts of globalization led to unequal terms of trade in Nigeria?
3. How has the role of Nigeria as a giant of Africa determines her position in global markets?

## **Significance of the Study**

The study is justified, as it will also help to complement further research work in this area of this study by providing panacea to the current wind of globalization which has made Nigeria even as a giant of Africa to remain a clientele economy in the competitive global market due resultant negative effect of globalization. The importance of a study of this nature can easily be understood when one considers the negative effect of globalization as it affects third world development.

Basically, the study has both empirical and theoretical significance. Empirically, the study will be of benefit to the entire Nigeria as recommendations that will be drawn from this study will serve as measures of how to combat the negative effect of globalization as it affects third world development with Nigeria as reference point. Theoretically, the study will serve as an academic bank to other researchers, political scientists and to academia by contributing to the existing body of knowledge and literature on the subject matter of globalization and third world development with a view to understudy the Nigerian experience.



## LITERATURE REVIEW

Reviewing literature on globalization and development is not a futile exercise in this study. The essence is to provide a framework to understand those interdependence issues arising from global trends of globalization. This makes it quintessentially imperative to conceptualize globalization and development separately so to have both basic and comprehensive knowledge about what the terms implies.

### Globalization

Given the extensive nature of globalization and its wide-ranging impact, the review of the literature on the effect of globalization on third world development with particular reference to the Nigerian current situation is quintessentially imperative to the study. Globalization is an extensive concept, aptly described as relating to “reforms and structures that transcend national borders” (Astiz et al., 2002;66). Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology (Friedman, 2006). Jeffrey (2002) argument on globalization effects is that the third world countries are more poorer because of the stringent and protectionist policies introduced by developed world to make third world countries to be poorer nations due restrictions on trade openness that certain conditions needs to be met.

Globalization is a complex term which has generated much controversy ranging from its definition, evolution, future and whether or not it will benefit all nations and peoples of the world, a highly contested concept, denoting many things to many people. Cerny (1997) redefines globalization as the relationship between territoriality and authority, shifting authority from the level of the state to supranational and sub-national units, perhaps offering more to grasp onto in operational terms but precious little in causal terms. It is a set of economic and political structures and processes deriving from the changing character of the goods and assets that comprise the base of the international political economy - in particular, the increasing structural differentiation of those goods and assets. Globalization is perceived as the hegemony of American values thus meaning America controlled the world through globalization. Fukuyama (1992:6) suggests that convergence is inevitable, “Technology makes possible the limitless accumulation of wealth, and thus the satisfaction of an ever-expanding set of human desires.

Reich (1998) in support of Fukuyama's position opined that globalization has brought homogenisation rather than fundamental change, but conceded that it offers growth prospects to American culture, which is described as “entertainment, fashion and the American way of life” and “commercial secularism”. Todaro (1981;4) succinctly puts globalization as a concept that comes with constraints in the areas of economic, political, geography or boundary related matters, social and cultural arrangements recede in which people become increasingly aware that they are decreasing. Globalization is a standardized mechanism that arbitrarily distributes advantages and losses to all nations, which leads to discrepancies and discord between industrialized, globalized countries and developing countries such as Nigeria which acquiesce in the losses (Obadan, 2001).

Ikechukwu (2012) views the negative effect of globalization on unemployment as a result of its unfair favoritism in third world countries and its distortion of Nigeria economy when considering the result of the issues lack of infrastructure in every sector of the economy,





inadequate funding of the educational sector, corruption, and poverty, among others. Iheriohanma (1998) sees globalization from a different perspective while x-raying the activities of multinational companies (MNCs) in such areas like oil drilling, manufacturing and business sectors which has consequently led to domination of Nigerian companies, thus making them unable to compete maximally. Globalization according to Umar (2000) means that the world has become a small village whereby distances have been shortened through the use of communication gadgets such as mobile phones, internet services, e-mail etc. and transportation. Adams (2014) categorically stated America colonized the developing countries through the instrumentality of globalisation, it was a conscious effort by them to colonize the third world countries and the whole universe in due time.

Ajayi's (2003) opinionated view in relation to third world development is that globalization has become a ravaging wind blowing across the world due to the intense acceleration in information and communication technology thereby fostering more exchanges and interactions as it reduces the geographical boundaries of all countries into a global village. The argument advanced for is that the unequal effect of globalization has preponderantly distorted third world economic development and raised alarm on the nature of relationship provided for these third world countries in the international system. Madunnagu (2009;15) looking at definitional construct sees globalization as "the rapid expansion through giant multinational companies to several areas of the world, including areas where it has hitherto been resisted or put in check side by side with this expansion. It is the phenomenal development of computer technology, telecommunications and transportation in favor of developed countries.

Toyo's position agrees with Madunagu with his viewpoint when he succinctly refers to globalization to mean global compliance with patent laws made by the United State information system (Toyo, 1994).

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 (Obadan, 2001). The expansion of capitalism and integration of the world into one capitalist entity has enhanced the phenomenon of globalization overtime. Akanni (2004;7) has extensively argued that globalization is not a recent phenomenon. Olubamise (2005;5) also contends that globalization is not new to Africa as the phenomenon was 'unconsciously set in motion' when the continent's forefathers set out to conquer new territories through inter-tribal wars.

Globalization provides greater opportunities for firms to compete in the new competitive landscape as argued by Kanter and Pittinsky (1996) and Rochester (2023) who are of the opinion that globalization is a process of change in which the world's countries and their economies are increasingly integrated as a function of rising cross – border economic and other activities. In the same vein, Hitt (2006) sees globalization as the spread of economic innovation around the world and the political and cultural adjustments that accompany this diffusion. Khor (2001) in observing the features of global prosperity in relation to globalization fail to look at the disparities and unequal distribution of its gains on individual nations, globalization is an unequal distribution of gains and losses which has led to polarization between advanced countries that gain and the many developing ones that lose out or marginalized.



## Development

Wheal's opinion of the concept is that development was equated with economic growth in which they viewed development as rapid and sustainability in terms of output per capita; it sees development in terms of technological, economic and demographic changes in the society (Wheals, 2009). Globalization in relation to development of third world countries has been in existence for a long period of time, as it is not a recent phenomenon as rightly observed by Bucknor who observed (2004) that "globalization is not totally a new phenomenon, people have been interacting socially and politically with each other from great distance for centuries". The concepts of development are aptly conceived as a state of human wellbeing rather than as the state of national economy (Eme & Emeh, 2012;5).

Todaro (1982;6) sees development as a "multi-dimensional process involving the reorganization and re-orientation of the entire economic and social system. This involves in addition to improvement of income and output, radical changes in institutional, social and administrative structures as well as in popular attitudes, customs and beliefs". Nnadozie (2004;6) posits that the object of development hence development is taken as the ability and capacity of man to adequately interact with his physical environment and other individuals to constantly improve himself and humanity. This idea of development was succinctly captured by Nnoli (1986) when he wrote: Development, first and foremost is a phenomenon associated with changes in man's humanity and creative energies, not in the capacity of the individual and society to control and manipulate the other individuals and societies for their own benefits and that of humanity at large. It is a process of actualizing man's inherent capacity to do things, greater freedom, responsibility and material well-being.

The willful attempts at removing trade restrictions have been referred to as the political factor underpinning globalization (Okpeh, 2006). Okpeh further expresses that this development has been made possible largely by two sets of factors: the first has to do with the fact that a number of countries have embraced trade liberation and have, therefore, dismantled existing barriers to the free flow of goods and services across their national borders. The second factor which one can attribute to the recent trend in globalization is the giant strides that have been recorded in the area of information and communication technology. Some scholars have adopted the year 1986 as when Nigeria probably first integrated into the globalization process with the trial of Structural Adjustment Program (Adamu, 2003).

O'Rourke and Williamson (1999) critically assessed the period of dramatic globalization, with the world economy well integrated by 1914. It is equally asserted that even in the late 19th century, developing countries were rapidly integrating with the rest of the world. During the period of world wars, there was retreat to protectionism with trade barriers here and then. The trade barriers were temporary as post 1945 integration efforts were seen largely in the context of trying to recoup the losses of the world war period.



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## **Theoretical Framework**

### **Modernisation Theory**

The theoretical framework to be used in explaining the study is modernisation theory of development which refers to a model of a progressive transition from a pre-modern or traditional society to modern society. The theory was propounded by Walt Whitman Rostow (1990) and it is used to describe the process of advancement within communities. The fundamental principles of modernisation theory can be derived from the Idea of Progress, which emerged in the 18th century age of enlightenment with the idea that people themselves could develop and change their society.

It assumes a uni-lineal continuous development of societies and, thus, classifies all nations into Western and non-Western cultures. It also looks at internal dynamics while referring to social and cultural structures and the adaptation of new technologies. Modernisation theory explains that the domestic characteristics of a state are the reason for their underdevelopment, and their economic development is essential for meaningful progress to exist in society.

The relevance of this framework of analysis to our study is evident in its suitability in explaining globalization in relation to Nigeria's development, analyzing its challenges and prospects. The theory of modernisation argues that some conditions (technical advances, education of quality and production efficiency) for this progression are missing in developing countries. Thus, the need for adequate capital to sustain economic growth that benefits a wide variety and not to a fortunate few in society. This theory is best used to understand the relationship between globalization and development in Nigeria because modernisation assumes that most traditional societies are shedding off their traditionality and moving into the modern and western ethos which is an element of globalization. Modernisation and globalization are closely linked in terms of advanced technology, individualism, egalitarianism, and so on. The driving force of globalization is Information Technology which is also found in modernisation. Third world nations are still in the process of developing and so cannot develop at the pace of the developed nations who control everything including the capital base at the global market and so Nigeria as a country has not been able to contribute meaningfully to the global market.

Modernisation theorists see development from the prism of western civilization. To them, developments simply means industrialization and modernity which are exemplified by the western industrialized capitalist nations. Accordingly, the West is developed because it has certain socio-political and economic attributes that are amenable to positive change and development. The underdeveloped states do not possess such attributes; thus, they lack development. But they can achieve development by trying to be like the West via the inculcation of Western culture.





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## **METHODOLOGY**

### **Research Design/Method of Data Collection**

This study adopts documentary research methods. The documentary research method was utilized to review relevant documents and available relevant records that contain information relating to globalization and development which are the major variables in the study. In order to collect data for this study, the secondary source of data collection was used. In specific terms, the secondary sources included library materials like books, journals, articles, periodicals, seminars and credible internet materials which were relevant to the study.

### **Evaluation of Research Questions**

The following research questions raised in the preceding work were discussed and evaluated in this section.

#### **Evaluation of Research Question One**

The first research question is concerned with how political impacts of globalization led to imposition of foreign rule in Nigeria. The current trends in globalization process does not make Nigeria take critical decisions on governance and critical foreign policy issues as the western world who have dominated the global markets still control its decision-making process including who is to be elected to govern the state despite being a sovereign nation.

#### **Analysis of Research Question Two**

The second research question is concerned with how the economic impacts of globalization led to unequal terms of trade in Nigeria. The current trends in globalization process does not make Nigeria to fall into the class of price dictators but she is price takers and so the terms of trade naturally place her at a disadvantage in global capitalist markets.

#### **Analysis of Research Question Three**

The third research question is concerned with the role of Nigeria as giant of Africa which depicts that Nigeria's role in global market is not impactful in the sense that it has nothing practically to bring to the global markets except corruption; even the crude oil she has cannot be refined because of refineries that are not functional because of government deliberate acts.



## DISCUSSION OF FINDINGS

The review of the three research questions revealed that even though, globalization has brought positive changes and development to third world countries in the areas of growing global economy mostly fastened by international trade, information technology, culture, political, and social activities across the globe but been inhibited by unfettered application and unfairness to third world countries with Nigeria which is the focus of the study has not been exempted.

### Effects of Globalization on Third World Development: The Nigerian Experience

#### The Political Impacts of Globalization and Imposition of Foreign Rule in Nigeria

Globalization is a process of integration between people, businesses, and governments across international borders. Ankie Hoogvelt's approach to globalization is multi-causal; Hoogvelt draws on the ideas of different currents in globalization. Though these currents are often seen to be at odds with each other, Hoogvelt contends that they may complement each other. Her work explores how the expansion of capitalism has driven the world to occupy a single social space, and how that single social space is driving further capital accumulation. Hoogvelt examines the social, financial, and political implications of globalization to develop a better understanding of the economic processes around the world in the informational age (Hoogvelt, 2001).

Globalization undermines political development in terms of democratic governance in Nigeria. The impact of globalization has eroded both democratic tenets and political development in Nigeria. The neo-liberal paradigm analysis on the issues of free market, competition, privatization, deregulation and liberalization have been adopted by successive governments in Nigeria and other third world countries (Grimm & Gunther 2007). Globalization policies have resulted in "increased poverty, income inequality, illiteracy, medical neglect, premature mortality and unemployment" (Onah & Nyewusira, 2006:63).

The economic and social conditions of poverty have indeed affected most individuals, households and communities resulting in social polarization and the lack of access to basic necessities of life. The poor people are too absorbed in the fight for subsistence and survival to care for democratic rights. This implies that as long as the economic reality of Nigerians remains such that the struggle for daily subsistence consumes most hours of the day, political rights will rarely be in the priority list of the majority of Nigerian citizens.

In support of this proposition, Ajayi (2006:116) affirmed, "poverty is antithetical to democracy". The issues of democracy advocated in the present global order does not go beyond 'electoralism and the rituals of voting' to ensure the upliftment of the conditions of life for millions of Nigerians. In looking at this era of globalization and democracy.

Ihonvbere (2004:530i) remarks that the Nigerian state remains "distant, aloof, violent and insensitive to the plight of the majority". What this means is that, the much acclaimed and trumpeted globalization has failed to raise the bars of democratic practice and politics in Nigeria. Thus, this activity has resulted in "corporate greed and crime because of their unbridled piracy in the maximization of profit" according to Akani (2004:18). Ihonvbere (2004:527) described transnational corporations as "profit and hegemony-seeking corporations. The backwardness, underdevelopment and political conundrum generated by the appropriation of Nigeria's resources by transactional companies could precipitate conditions



that deepen the vulnerability of the polity to the extent that the government has become weak, unpopular and alienated from the masses. Globalization is the main “purveyor” of human rights violation in Nigeria as Obadina (1998:32) contends that “the concept of absolute freedom underlies the rationale for globalization”, the forces of globalization, represented by multinational oil companies, largely account for the incidence of repression and human rights violations against local and indigenous communities of the Niger Delta, on whose territories oil is produced. In spite of being in a democratic and constitutional government, grave violation of human rights, perpetrated by multinational oil companies, persists in the Niger Delta, with increasing brutal repression of peaceful community protest, extra-judicial killings, detention without trial and violation of sources of livelihood.

The effect of globalization on Nigerian political developments have continued to weaken efforts at nation-building, heighten citizens ‘disaffection and challenge the process of democratic consolidation. The strategic mission of globalization is maximum appropriation of resources of least developed economies of Africa, Asia and Latin America by developed countries of the West. The political implication and consequence of achieving this mission of ‘crass capitalism’ is that Nigerian leaders are coerced to follow the prescriptions of globalization and this prescription include the implementation of political and economic policies and programs that, in the words of engender ‘social tension, unending wars as a result of militant ethnic militia, massive pile-up of weapons of mass destruction, breakdown of democratic institutions and fascist leadership’. In the process, state-sponsored violence is unleashed on the masses by the indigenous ruling class that have external orientation.

Globalization policies, no doubt, have weakened the economic base of the less privileged, disempowered the masses politically and deepened the corruption of political processes. Fashina (2009:52) remarked that Obasanjo’s government created the full implementation of the IMF/World Bank Vision for Nigeria by agreeing to the terms and conditions of the pro globalizers fully through the resistance of labor unions to deregulation and the increases in the prices of petroleum products made the Obasanjo’s regime resort to extra-judicial and political maneuverings to curb and weaken the inherent strength of labor and civil society organizations. For instance, the Trade Union (Amendment) Act of 2005 sponsored by the government allowed only strikes that constitute a ‘dispute of right’, for instance matters relating to negotiation, application or interpretation of a contract of employment and collective bargaining. In other words, strikes on political and economic matters were disallowed by the Act. The Trade Union (Amendment) Act of 2005 also allowed the registration of other Federation of Trade Unions (apart from the Nigeria Labour Congress).

The apparent aim of the government was to weaken the NLC, which was the harbinger of the popular strikes and protests against the deregulation of the oil industry and the politics of oil price increases. The obnoxious Public Order Act was also invoked by the government to ban all public gatherings and assembly without police permit. The then president of NLC, Comrade Adams Oshiomhole, was even arrested and physically assaulted at Murtala Muhammed International Airport, Lagos, by agents of State Security Service on his way to mobilizing workers against the government in 2005. The hostility of the government that was rabidly intolerant of dissenting views and opinions not only undermined democratic governance, but the fact that the Nigerian state was run by a parasitic and unresponsive elite, nurtured by the capitalist powers through the IMF and the World Bank.



Globalization through its agents not only causes militarization of the polity and denial of democratic rights, it actually institutionalized what the Civil Liberties Organization described as ‘epoch of impunity’ under the civilian administration of Chief Olusegun Obasanjo between 1999 and 2007. The Civil Liberties Organization (CLO) specifically noted that these tendencies ‘manifested in various developments whose common characteristic was the concentration of political power in the hands of the social forces allied in, and represented by the PDP and President Olusegun Obasanjo’. The regime, no doubt, created a heated polity that was authoritarian through its practice.

### **The Economic Impacts of Globalization and Unequal Terms of Trade in Nigeria**

The increasing speed of economic globalization, the international financial institutions like the IMF, WB and other world donors have given preconditioned loan allocations to Nigeria to strengthen its productive base and diversify its economy. These gestures appear harmless on the face of it, but in the real sense, they have serious negative implications for countries that engage in it, so it can be argued that Nigeria engages in it without a clear understanding of the economic intricacies. Nigeria’s political instability and social unrest resulted from the implementation of IMF and WB reform policies. Among the negative impacts such gestures by world donors have in Nigeria are unemployment, brain drain, the unbridled influx of the multinational corporations and human right abuses in Nigeria, youths and ethnic group uprising and its resultant effect of insecurity, the collapse of local industries and overdependence on imported goods.

The negative impact of globalization is reflected in the loss of manpower that highly educated and qualified professionals in various fields are relocating to the developed world from third world countries to seek for a better life or greener pasture there and this has a lot on the Nigerian economy which is the major focus of this study. The country has lost so many of its professionals to the developed nations through globalization and that has developed the economic structure of those countries where they relocated to and have affected our own. The active force between 18 and 45 have left to these developed nations to seek greener pastures for economic survival purposes. Globalization encourages free flow of human capital and services; as such it can be argued that the brain drain syndrome is the effect of globalization which leaves donor countries (the country of the migrant) with insufficient number of expert personnel and enriches the receiving countries with experts.

These factors in totality affect investment choices and investors’ confidence in Nigeria. These arguably constitute serious obstacles to the strength of the productive sector, especially the agricultural sector. As a monoculture economy, Nigeria places total reliance on the export of crude; this means that instability in the world oil market will automatically have negative effects on the Nigeria economy and in turn cause a decline in foreign exchange earnings; put differently, anything that affects oil internationally affects Nigeria revenue. Therefore, Nigeria being a mono product economy weakens the country’s international trade with other countries. As an import based nation, Nigeria’s oil sector is not fully industrialized. This to a large extent affects balance of trade, for instance, Nigeria-China trade relation has remained disproportionately in the favor of China. Nigeria is a major importer of Chinese goods; this increases the capital flight of China and weakens Nigeria’s manufacturing sector.

It is arguable that virtually all consumable goods and services in Nigeria are imported or illegally smuggled into the country, this affects the exchange rate against Nigeria. Excessive



legal and illegal imports have drastically undermined the strength of manufacturing local industries in Nigeria in the favor of its counterpart. Nigerians are known for their high desire for foreign goods and services not minding the standard in comparison to locally made goods and services; this exposes domestic manufacturing companies to competitiveness and makes the sector vulnerable. The Boko Haram group – a domestic terrorist group that is propelled by a clearly defined strategic outlook with the ambition to Islamize the Nigeria States - is inspired by other terrorist groups as a result of the negative effect of globalization (Christian et al., 2013).

### **The Role of Nigeria as Giant of Africa in Global Markets**

The commitment of the Nigerian government to measuring its national economy and re-branding the country for acceptance by the leading members of the international community, especially the key global financial institutions though, to a large extent cannot be overemphasized. The government's claim about the improved performance of the national economy needs to be substantiated. The structure of the national economy and the extent of its diversification needs to be demonstrated with the aid of improved gross domestic product as parameter. Thus, there is the need to continuously have updated statistical data and information on the performance of the economy. Besides, effective monitoring and evaluation of government policies and programs depending on the availability of appropriate and relevant data and information. Scaling-up efforts toward effective evaluation of its national economy is not inconceivable for a country that covets membership of desired economic status.

The wealth of a country affects the management and projection of its interests and core values in the international environment. In this context, a wide range of economic factors including trade, investment, working population and currency, among others can influence the behavioral output of states in the global market. Evidence of links between the national economy of a state and its role in global politics abound in the political history of post-independence Nigeria.

Nigeria's influence in Africa increased significantly in the period of the 1970s and 1980s due in part to its economic power and also its relative political stability. The status and role of a country is, however, not determined by economic factors only. There are other factors in the domestic environment interplaying with external factors to shape the courses and directions of the behavior of states in the international arena. The interplay of such variables as weak state capacity, mismanagement of economy, and absence of national consensus has limited the options for Nigeria in the conduct of its foreign relations, despite its claims as a regional power. The economic crisis of the 1980s and deteriorated domestic political environment checked Nigeria's growing influence and earned its poor foreign image until recently, when the country returned to civil rule. It is apt to note that during the tenure of President Olusegun Obasanjo, Nigeria's foreign policy was implemented with serious consideration to get the country out of the global isolation that came with the excesses of the authoritarian military regimes in the 1990s.

The administration therefore invested in serious reputation management, extensive image diplomacy, and overt representation at international organizations (Adetula, 2013). Nigeria's case for permanent membership at the Security Council was relaunched with vigor and since then the campaign has continued. Part of the efforts of the Nigerian government to enhance the country's representation at international organizations is the establishment of an inter-ministerial forum to facilitate the nomination of Nigerian candidates for appointment in





international/multilateral organizations. This mostly explains the harvest of elected positions and appointments for Nigeria in international organizations, which has translated to increased visibility for the country at both regional and global levels

## FINDINGS

From the foregoing analysis, the empirical findings show that there is no co-integration between trade openness and Nigeria's involvement in global markets interface as regards global transaction. The evidence provided from the facts reported in this work shows that Nigeria is at the lowest level of integration in the global market. This implies that Nigeria is not likely to benefit much from globalization due to the gap between her and the advanced Europe and America in terms of large global market and capital goods. The study revealed that the resultant effect of globalization on third world countries and Nigeria have resultant effect on Nigeria's position as giant of Africa as she could not play a vital role as giant of Africa in global markets since she can't take decisions because of restrictions due globalization in the area of technology, information technology. There are unequal terms of trade as the developed countries obviously control the market so the concept of globalization has not been fair in third world countries including Nigeria. The political impacts of globalization and imposition of foreign rule due to globalization have also resulted to western world controlling the affairs of our democracy including who governs the affairs of the state so as to give conditions that are not favorable to our democratic leaders under the guise of globalization.

It is evident that the Nigerian experience is lacking full advantage of globalization because there are still conditions to be met by the western world with stringent condition for Nigeria good at the global market but when it comes to western world trading system at the global market there is no restrictions placed as they will ask us to open our own market. Nigeria's export mechanisms have not been able to meet the stringent conditions given by AGOA (African Growth and Opportunity Act). Globalization has brought benefits to developing countries, such as increased trade and better health care. Yet, it has fallen far short of its promise because it is "not working for many of the world's poor, meaning that globalization as an assumed developmental concept has not been pushed fairly" (Stiglitz; 2002:9)

## SUMMARY

Globalization has both positive and negative effects, though the positive effects or benefits are numerous, but the most important include increased specialization and efficiency, and better-quality products at reduced prices. economies of scale in production, competitiveness and increased output, technological improvement and increased managerial capabilities. The increase in world trade and output made possible through globalization, ensures that consumers derive the best satisfaction since the best standards of quality are maintained through specialization and competition.

Globalization processes aided global wealth, enhanced living standards, ensured poverty reduction and improved welfare for the individual. Thus, globalization is crucial for worldwide economic growth and development. Trade and investment can aid efforts at restructuring an economy to make it more competitive and better able to contribute to the globalization process.



Nigeria as a giant of Africa has not fully benefited from globalization because of the stringent conditions placed at the global market by the developed world who control the market because of advancement in technological output, and information, among other factors.

## CONCLUSION

The world is becoming a global village because of advancement in information communication technology, culture, political, economic and social activities across the globe. Globalization is another form of re-colonization of African countries; those nations that were hitherto not part of the old colonization have discovered a virgin ground for the re-colonization of third world countries. This involves the use of exploitative instruments like World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, multinational corporations and other international financial institutions in order to capture the world in the name of globalization.

Globalization has led to the underdevelopment of third world countries which Nigeria, the focus of the study, is not exempted from through the manipulations of the IMF, World Bank and WTO. These agents of globalization who represent the interest of their initiators (Western Nations) have in one way or the other caused disaster on the Nigerian economy, culture, political and environment. This interdependency is beneficial particularly to the advanced countries, which have sufficient exportable capacities with comparatively low-cost production techniques. The study concludes that there is interconnectedness between globalization and development in Nigeria, which in turn increases the rate of unemployment of masses and hinders political and economic development in Nigeria.

The analysis of the link between globalization and Nigeria's development prospects revealed that there is an unequal engagement capacity of developing countries like Nigeria and third world countries. There is no positive link between increased trade and Nigeria's development due to continuous foreign earnings from Nigeria's crude oil export needed to finance its budget and better the life of the masses but with little or nothing on ground to show for years of crude oil sales. The import-oriented economy of Nigeria and weak production capacity have huge implications on Nigeria's yearning for development.

## RECOMMENDATIONS

The study however, recommends the following as panacea of effects of globalization on the Nigerian state;

1. Economic diversification and exportable capacity of the third world economy in the global market.
2. Regulation of international capitalist structure through applicability of market friendly policies devoid of stringent market policies placed on third world countries by the developed countries.
3. Improving bank regulations of the third world countries nations banks are well regulated to boost their economic growth.



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