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Impacts and challenges in the 21st century

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Globalization and the Third World economy Impacts and challenges in the 21st century

edited by
Professor J. S. Odama
Dr E. A. Aiyedun



Malthouse Press Limited

11B Goriola Street, Off Adeola Odeku Victoria Island, Lagos E-mail: malthouse_press@yahoo.com

malthouse_lagos@yahoo.co.uk Tel: +234 (01) -773 53 44; 613 957; 0802 364 2402

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The authors were inspired by the urgent necessity of responding to the yearnings and curiosity of the general public, researchers and particularly our students, who challenged us to provide them with a comprehensive reading material on the phenomenon of globalization that has become a fundamental issue in world affairs since the later part of the twentieth century. This book represents our modest contribution to the debates and analysis of some of the critical issues arising from globalization, especially as they pertain to Nigeria and the rest of the Third World.

We are appreciative of the efforts of all those who contributed in one way or the other to the completion of this text. We remain grateful to our students who gingered us up to do this work. We thank all those who were involved in typing the manuscripts. Sule Magaji was in the forefront of the collation of the manuscripts and general coordination of the work. Mashi Abubakar did the initial typesetting of the work. Solomon Ogbu put finishing touches to the editorial work. We are grateful to them all.

Preface

The book is arranged into two sections. Section one addresses the general issues of globalization. This includes chapters by Professor Iyoha, Dr. Aiyedun and Dr. Ogbu. The rest of the chapters focus on globalization as it impacts on the Nigerian economy. In this preface we summarize the major issues raised by the authors in their chapters.

Professor Iyoha's chapter summarizes the developments in the world economy in the nineteenth and twentieth century. In particular the second half of the 19th century was one of rapid development among currently advance countries. Economic development in late nineteenth century was driven by the rapid expansion of world trade. The first half of the twentieth century was not one of rapid development. The two world wars resulted in the curtailment of global trade and international capital flows. The second half of the twentieth century proved to be a big improvement on the performance of the world economy before the Second World War. The basis of his analysis, Professor Iyoha provides some policy recommendation. These recommendations focus on the adoption of development strategies, which emphasize the following:

- 1. Outward-oriented trade policies;
- 2. Market-friendly economic and financial instruments
- 3 Promotion of private sector led development and market-friendly government intervention when deemed necessary;
- 4. Establishment of a conducive and friendly environment for foreign capital inflows:
- 5 Promotion of policies to increase autonomous productivity growth;
- 6. Adoption of economic and financial policies to increase mobilization of domestic savings and raise national savings rates;
- 7. Implementation of stable macroeconomic policies; and
- 8. Adaptation of measures to promote political stability.

Dr. Aiyedun's chapter is on nature and meaning of globalization: an African perspective. The chapter states that globalization entails universalization whereby the object, practices or even values transcend geopolitical boundaries. The chapter argues that it is from this vantage that we

could speak of globalization of human rights, sustainable development, issues of environment, rule of law, democracy and good government. While the ability of developing countries in taking full advantage offered by the information technology -induced globalization is severely restricted by the stage of development of these countries, the chapter indicates that the development has transformed the scope, range, pace and the procedure of services delivery. Globalization has however encouraged de-intellectualization of the society, giving rise to the increasingly falling capacity to think for itself or to depend on externally generated and externally driven (concepts and paradigms) policies. This in turn has entrenched the dominance of expatriate personnel in policy-making and implementation in developing countries.

Dr. Ogbu's chapter is on the democracy movement and globalization; Nigeria in perspective. The chapter recommends that the political leaders in Nigeria must adopt a new psychological orientation towards politics by endeavoring to serve the nation to the best of their ability rather than pursue parochial interests and personal aggrandizement.

Dr. Alanana, in his chapter on the social and economic effects of globalization on Nigeria, examines globalization as a process of internationalization of capital and change, which is oriented towards incorporating even the most remote part of non-industrialized societies into the global capitalist system and market. The chapter cautions Nigerian government to slow down the pace of globalization to minimize its negative impact in the overall interest of the citizens, but should nevertheless embark on genuine programmes of self-reliant development.

Dr. Mohammed in his chapter on the socio-cultural impact of globalization in Nigeria traced the history of globalization to the imposition of imperialist rule by Western Europe and America, which nurtured a system of dependency and underdevelopment. Hence, since her attainment of political independence, Nigeria has been under economic subjugation. The consequences of globalization included the imposition of an unjust international division of labour with the country playing the role of producer of raw materials and provider of markets for manufactured goods of industrialized world. The value system in Nigeria, which emphasized brotherhood communalism and sharing, was substituted with individualism. As a consequence the social institutions such as those of marriage and family, education, etc, have been adversely affected by globalization. The chapter concludes by advocating a radical transformation of the Nigerian state and society through conscientisation and mobilization of the populace as a sure way of becoming an effective actor in the new globalization.

Dr. Aliyu's chapter explains the trade policy of Nigeria at different phases. The chapter also offers a model of international trade. The chapter concludes that Nigeria has many prospects to benefit from its involvement in foreign trade if it selectively embraces globalization process.

Dr. Ozigbo's chapter on effects of globalization on industrial productivity in Nigeria focuses particularly on the claim that increased economic integration has widened the productivity gains. The broad consensus of research is that globalization, both in terms of increased trade as well as increased capital mobility and foreign direct investment have only a modest effect on productivity gains. The chapter opines that changes in technological advancement have led to a pervasive shift in demand for foreign made goods, at the detriment of locally manufactured goods.

Mr. Magaji's chapter shows that Nigeria is embracing globalization with all optimism even when the country is not yet prepared for the new policy. The chapter suggests adoption of economic policies designed by the western nations with caution.

Mr. Nazifi's chapter hinted that the privatization of public enterprises as an aspect of neo liberal paradigm was implemented across the globe with Transnational Corporations playing a dominant role as core investors, providers of capital and technical advisers. The chapter concludes that economic empowerment of the populace must precede any divestiture programme contemplated if real transfer of economic assets from the state to the citizen is to be accomplished.

Mr. Obansa in his chapter on globalization and ecological problems in Nigeria, attempts to focus, in the face of globalized world, on the issue of good environmental management in an effort to address soil erosion, deforestation, water contamination, air pollution, and other forms of ecological problems on the Nigerian environment.

Dr. Mashi's chapter on Globalization and the Environment examines the real and potential impact of globalization on the environment. The chapter emphasized that environmental crises resulting from increased generation of wastes, environmental degradation, environment - induced social conflicts and aggressive exploitation of the environment would be encountered as we continue to promote globalization without concurrently promoting the need for better management of the environment.

Dr. Nwaobi's chapter on the 'new globalization era and digitalization debate: an economist's perspective' opined that during the post-World War II period, industrialization was an irresistible trend made global by the industrial society as it faces the risks created by its own success. Its growth has been accompanied by voracious use of natural resources and increasing inequalities (insecurities) between industrial countries and the rest of the world. Thus, a vision of a new society in which human lives in harmony with each other and with nature is very imperative. This transition is described as digitalization or knowledge revolution, driven by the technologies for processing and communicating it. This is therefore, an era where increasing proportion of

economic output will be knowledge-intensive.

The book will be useful to students of the Nigerian economy. Policy makers and other stakeholders in the Nigerian economy should find and draw useful lessons in the various issues of globalization discussed.

Prof J. S. Odama Dr E. A. Aiyedun (Editors)

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Contributors

Sani M. Abubakar,	PhD, Senior Lecturer, Department of Geography, University of Abuja, Abuja FCT
Ernest A. Aiyedun,	PhD, Senior Lecturer, Department of Economics, University of Abuja, Abuja FCT
Chika U. Aliyu,	PhD, Associate Professor, Department of Economics, Usumanu Danfodio University, Sokoto
Otaki O. Alanana,	PhD, Lecturer, Department of Sociology, University of Abuja, Abuja FCT
Nazifi A. Darma,	MSc, Lecturer, Department of Economics, University of Abuja, Abuja FCT
Milton A. Iyoha,	PhD, Professor, Department of Economics, University of Benin, Benin City Nigeria
Sule Magaji,	MSc, Lecturer, Department of Economics, University of Abuja, Abuja FCT
Suleiman B. Mohammed,	PhD, Lecturer, Department of Sociology, University of Abuja, Abuja FCT
Godwin C. Nwaobi,	PhD, Lecturer, Department of Economics, University of Abuja, Abuja FCT
S.A.J. Obansa,	MSc, Lecturer, Department of Economics, University of Abuja, Abuja FCT
Solomon O. Ogbu,	PhD, Senior Lecturer, Department of Political Science and International Relations, University of Abuja, Abuja FCT

of Abuja, Abuja FCT