THE IMPACT OF GLOBALIZATION ON ECONOMIC DEVELOPMENT: THE NIGERIA EXPERIENCE

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ABSTRACT
This paper investigates the impact of globalization on Nigeria's economic development. The advocates of globalization are of the opinion that it can bring about rapid development through industrialization. This paper utilizes secondary data and presenting them in tables relied on the arguments of dependency theory to critically analyze the impact of globalization on Nigeria's economic performance. This paper discovers that, the Nigerian economy has not benefited in the current globalization process despite her enormous natural and human resources. It also discovers that, the integration of the Nigerian economy into the global capitalist economy had foisted on her the policies of the Breton Woods institution with its conditionalities as manifest in the Structural Adjustment programme (SAP), which has worsen the economic conditions of Nigeria by creating high level of unemployment, poverty, corruption, trade deficit, high debt profile amongst other negativities. To liberate Nigeria from this economic problematic, this paper recommends among other strategies the abolition of neo-liberal economic policies that do not consider the individual development and should adopt a strategy of development within the framework of national self-reliance on internal resources and only seeking alliance with the global economy on the bases of comparative advantage.

Key words: *Globalization, Nigeria, development and Economy*

Introduction

Globalization is here considered as deliberate policy of a group of industrialized states presided over by the International Monetary Fund (IMF), World Bank (WB) and World Trade Organization (WTO) to introduce as market bas economy in all developing economies of Third World societies. Globalization is geared towards bringing together economics of the North which are made up of industrialized countries and the south which consists of poor and undeveloped countries within the matrix of unequal exchange. This process of integration is made possible because of the collapsed of the Berlin wall which opened up the whole world to the dynamics of globalization. This process therefore has serious implication and poses challenges in the economic development of developing countries including Nigeria.

Advocates of globalization argue that, globalization brings about economic prosperity through rapid industrialization as it creates opportunities to every economy to develop and acquire technology which in turn stimulated growth in developing economics. A critical look at it shows that, globalization has eroded national sovereignty and has also resulted to economic stagnation which has brought about poverty and general underdevelopment. It is in view of the above that Otaba (2010:99) argues that:

> *In Nigeria, for instance, the neo-liberal policies of devaluation of the currency, deregulation of the downstream oil sector, privatization of public enterprises, removal of oil subsidies and liberalization of trade embarked upon by the government since 1986 as a pre-requisite for economic recovery have only increased unemployment, poverty, hopelessness, corruption, and worsened the living standards of an ordinary Nigerian thereby reducing the life span especially for women, youth and children who are vulnerable.*

Implicit in this argument is that the globalization process is accompanied by policies that have negative impact on the economics of Third World states who were incorporated into the World capitalist system forcefully and at a disadvantageous position. Nigeria, a state with enormous resources with the 6th largest gas reserves and the 8th largest crude oil reserves in the world. It is endowed in commercial quantities with 37 solid mineral types and has a population of over 150 million people; yet economic performance has been rather weak and does not reflect these endowments (Sanusi, 2010:3). Sanusi argues further that, it is interesting to note that, in the 1970s Nigeria had a GDP per capita of US$233.35 and was ranked 88th in the world but has now dropped from this position. Again, prolonged period of military rule stifled economic and social progress in Nigeria. During these years, resources were plundered, social values were debased, and unemployment rose astronomically, with concomitant increase in poverty level, living standards fell so low, to the extent that some of the best brains with the requisite skills to drive the development process left in droves to other states. Human rights abuse became the order of the day with its attendant consequences such as confiscation of individual property, indiscriminate arrests and imprisonment among others.

The return to democratic rule in 1999, increased though in no appropriate degree individual growth and society consolidation of the gains of democracy, it also increased political participation, liberties in terms of relative freedom of association and speech. This same law of related improvement was also expected to take place in the economic sphere, however, broad-based and transformational development has failed to take place. The little economic growth in Nigeria has not resulted in the desired structural changes that would make manufacturing the engine of growth, create employment, promote technological development and induce poverty alleviation. The nation's economy has also not only failed to diversify but it has also failed to induce more production. Instead, it has consolidated on the disarticulation that has continued to stagnate the economy. The implication of this is that the society has witnessed high level of rising unemployment with the current level put at 19.7 percent by the National Bureau of Statistics (NBS, 2010:4).

This paper therefore seek to examine the level of Nigeria's economic development and the impact the Nigerian economy has experienced as a result of its incorporation into the world capitalist system particularly the globalization process spearheaded by the Breeton Woods institutions. It focuses particularly on how the conditionalities of these institutions as manifest in the SAP policy has affected Nigeria's economic performance within the period under review. The paper therefore is divided into the introduction, theoretical framework, history of globalization and the nature of the Nigerian economy. The paper also has the section that discusses the effects of SAP on the Nigerian economy and it ends with a conclusion and recommendation.

Theoretical Framework

The theoretical framework used in this paper to analyze how globalization with the parameter of SAP has affected Nigeria's economic performance from 1985 to 2011, is the Underdevelopment Theory (UDT). This theory was developed to debunk or reject the assertions of the modernists regarding development and underdevelopment in both the North and the South. The main philosophical foundations of the underdevelopment paradigm could be traced to the works of such radical scholars as Karl Marx, and his life-long friend and colleague Fredrick Engels, as well as Lenin. Their elaborate analyses of economic issues such as the effect of capitalism and imperialism on capital, labour theory of value, (surplus value) have exerted profound impact on the postulations of contemporary writers on dependency. The theory dispute the modernist perspective on the issues of capitalist accumulation and development.

The modernist argues that, countries of the south are underdeveloped because of their primitive strategies which are anti-developmental. They insist that, for these groups of countries to develop they must shade away all vestiges of primitivism and imbibe Eurocentric strategies that stimulate development.

The failure of modernization paradigm to offer appropriate and or adequate mechanism for national development and to stimulate massive industrialization in states of the south after many years of their adoption of these Eurocentric strategies gave birth to the emergence of UTD/dependency theory. Proponents of UTD such as Gunder Frank, Osvaldo Sunkel, Dos Santos, Claude Ake, Walter Rodney, amongst others emphasis extensively on the dynamics and internal contradictions inherent in core capitalist system and the implication of centre-periphery relations for the development or underdevelopment of the peripheral capitalist system. Taking a critical look at the potentials of development of poor countries within the interplay of capitalist accumulation and the inherent contradictions in terms of periphery depravity, the UTD scholars insist that there is a dialectical relationship between development and underdevelopment. In other words, development and underdevelopment are two different sides of a universal historical process. To this extent, western capitalist countries developed in the process of under-developing the present day underdeveloped countries. Rodney (1972:41) argues that, there is a historical linkage of the evolution of Africa relationship with Europe from slave trade through legitimate trade to colonial domination and exploitation. A distorted structure according to Hoogvelt (2001), is the subordination of the economy to the structure of advanced capitalist countries, a condition that prevents the collective workings of the various segments of the economy but instead dislocate the linkages that will grease the engine of industrial development.

Although internal contradictions such as ethnicity, bad leadership, corruption and other anti-developmental issues are appreciated as been part of the portions of the south, the arguments of the UTD best captures the explanation of the impact of the process of globalization on the Nigeria's economic performance. The argument of the UTD reveals that, Nigeria's underdevelopment is as a result of its haphazard integration into the world capitalist system. This integration was accomplished through the process of monetization, taxation, wage labour, production pattern, imperial trade and the pattern of foreign investment in the colonial economy that destroyed indigenous development strategies. Through this process, dependency was created and institutionalized in Nigeria. This process is not designed to galvanize development of the Nigerian economy but created structural dependence and disarticulate the Nigerian economy in the current globalization process.

Thus, the dependency status of the Nigerian economy shows clearly that the development alternative open to her are defined and limited by its integration into globalization process and as such, it functions within those on controlled parameters. The limitation of alternative programs by globalization in dependent nations such as Nigeria differs from limitations in the developed ones, as the basic decisions and conditions in the international market are determined and regulated by the dominant/developed nations. This is exactly where Nigeria finds herself as she is compared by the conditionalities of the Breton Woods Agencies to adopt developmental strategies that do not take into cognizance the internal dynamism of the Nigeria society. Instead, Nigeria has over the years adopted Structural Adjustment Programmes of deregulation, liberalization privatization and devaluations which their conditions have contributed massively to the poor performance and underdevelopment of the Nigerian economy.

Historical Evolution of Globalization

Globalization is not necessarily a contemporary phenomenon. It started during the period that human beings began to move across their homes to the shores of other communities in search for better new lease of life. Stiglitz (2002) explained that the current globalization process is not a new phenomenon in history. It can be traced as far back as to the 15^{th} Century during the era of mercantilism. This period coincided with the regime of the campaign in respect of international trade by Britain, France, Holland and Portugal driven by the spirit of imperialism aimed at accumulation of capital. It is in this thinking that David (1999) asserts that the famous Trans-Atlantic Trade was part of this mercantilist globalization and the founding of Latin America by Portugal and Spain through Christopher Columbus was also a strand of globalization. He explains that, the term globalization was still in the embryo during this era of discovery, but was characterized by mercantilist activities that indirectly began in all the continents in the name of searching for markets.

In the light of the above, Stiglitz (2002) observes that by the early decades of the 19^{th} century, the European powers had begun to lay claims over the areas of their new markets. They began to preach the gospel of the free trade. In a similar vein, Garry (1998:10), and Madunagu (1999:6) observed that globalization is a capitalist expansionist process which started as well back as about 500 years ago. They explained that the collapse of the Cold War particularly marked the rapid ascendance of globalization as the dying process of the present age, and the expansion of capitalism.

It can be argued further that, the era of independence by several colonial economics which was heralded by the Second World War (WWII) marked the next phase of globalization. This phase was conducted under the popular slogan of developing the underdeveloped countries and was accompanied by an aggressive and fundamental introduction of the Structural Adjustment Programme (SAP). To Wilfred (1997:42), globalization is only the latest phase and expression of this uninterrupted history of denomination and subjugation of peoples, nations and cultures and through their colonizers. Within Wilfreds analysis, globalization can be seen as a modernized form of neo-colonial policy that is designed to create an environment that will enable the develop nations to prey on the natural, market and human resources of the developing nations. We can therefore argue that, globalization is a tradition of political, economic and cultural denomination of the powerful states over the weak ones whose capital has been primitively accumulated by the powerful economics and their market are been taken over and controlled by the same power.

Okpaga (2003:65) argues that, the collapse of the Soviet Union, dramatized by the exit of Mikhail Gorbachev from the political scene ushered in the New World Order and the current globalization agenda. He argues further that, the New World Order and indeed, globalization is not only economic and political but socio-cultural in the sense that the pursuit of these goals is a comprehensive endeavour. Okpeh (2004) therefore agrees with Okpaga that, the pace of change in the world seems to have accelerated sharply since the end of the cold war and the emergence of the New World Order (NOW) characterized by unipolarity since 1992.

Within our theoretical base of analysis, we can argue that, the present globalization agenda started when the first practical aggression of globalization of a powerful state against a weak state was carried out on the Third World Societies in terms of mercantilist exploration. Globalization became consolidated by the United States and European countries with the development of information technology, which became the instrument for disseminating capitalist values, orientations and strategies, therefore exciting enormous pressure on the weak and less developed economics such as Nigeria which here new form of embracing the globalization conditionalities through the implementation of the Structural Adjustment Programme (SAP) was first manifest in the 1980’s

The Nature and Structure of Nigerian Economy

Anyanwu et’al (1997) and Sanusi (2010) stated that, structurally, the Nigerian economy can be classified into three major sectors namely primary/agriculture and natural resources, secondary/processing and manufacturing, and tertiary/services sectors. The economy is characterized by structural dualism. The agricultural sector is an admixture of subsistence and modern farming, while the industrial sector comprises modern business enterprises which co-exist with a large number of micro-enterprises employing less than 10 persons mainly located in the informal sector. The agricultural sector has not been able to fulfil its traditional role of feeding the population, meeting the raw material needs of industries, and providing substantial surplus for export indeed, the contribution of the sector to the total GDP has not been encouraging at all from 1985 to 2011, for instance, Nigeria in the periods between 1981 – 1990; had GDP of 32.3; while in 1991 – 2000; the GDP was 34.2; and 2001 – 2009 had a GDP of 40.3 the same faith befall the other non-oil sectors in Nigeria. A survey of the sectoral development pattern of the Nigerian economy suffice to show clearly the performance of the Nigerian economy during the period under review.

Table1: Sectoral Contributions to Nigerian GDP

S/N	Activity Sector	1981 – 1990	1991 – 2000	2001 – 2009
1	Agriculture	32.3	34.2	40.3
2	Industry	41.0	36.6	28.4
3	Manufacturing	6.1	4.9	3.9
4	Building and Construction	2.3	1.8	1.8
5	Wholesale, Retail Trade	14.5	13.8	14.0
6	Services	9.8	11.5	15.5
	Total Value Added	100.0	100.0	100.0
	Diversification Index	0.4	0.4	0.3

Source: National Bureau of Statistics, 2009

From the above we can argue that the industrial sector comprises the manufacturing, mining (crude petroleum and gas) and electricity generation amongst others. It is worthy to note that, prior to independence in 1960; the Nigerian economy was mainly agrarian. On attainment of independence, the Nigerian government embarked on the programme of transforming the country into an industrial country. The Nigerian manufacturing subsector is made up of large, medium and small enterprises, as well as cottage and handcraft units. In spite of efforts made to boost manufacturing, they have not made any significant contribution to the growth of the economy. Industry as a whole contributed only 41.0% in 1981 – 1990, owing to the crude petroleum and gas production. The contribution contracted to 38.6% in 1990s and further to 29.4% during 2001 – 2009.

The contribution of wholesale and retail trade and services has more or less remained stable while that of building and construction decline from 2.3% in the 1980s to 1.8 in the 1990s and 2000s respectively. Sanusi (2010) notes that during and some years after SAP, the main manufactured exports were textiles, beer, cocoa butter, plastic products, processed timber, tyres, bottled water, soap and detergents as well as iron rods. However, some of these products have disappeared from the export list owing to lack of enabling environment.

The Nigerian economy expanded rapidly as oil production and export rose phenomenally. However, activities in the service sub-sector were relatively modest even though marketing and advertising, which covers distributive trade, lack behind. The average growth rate of GDP 3.2% was sustained in the period 1982 – 1990 following improved performance in Agricultural and industrial sub-sectors.

Table 2: Average Growth Rate of Real GDP

Period	Real GDP
1982 – 1990	3.2
1991 – 1998	1.9
1999 – 2007	8.3
2008 – 2009	6.3

Sources: National Bureau of Statistics, 2009

Suffice to state that GDP responded favourably to the economic adjustment policies of the eighties during which the SAP and economic liberalization were adopted. Thus, annual GDP grew from 0.6 percent in 1987 to 13.0 percent in 1990. However, the average growth rate of real GDP dropped to 1.9 percent during 1991 – 1998 (NBS 2009), due to development in agricultural and services sub-sectors of the economy. Real GDP growth rate rebounded to 8.3% during the 1999 – 2007 showing improved economy policy of NEEDS era. Despite the decline in real GDP growth rate to 6.3% in the period 2008 – 2009, the major drivers of Nigeria economy remained agriculture, wholesale and retail and services sectors.

Finally, the nature of Nigerian economy is mono-cultural, depending on the oil sector and is import dependent with very little non-oil exports. It relies heavily on crude oil and gas exports with other sector coming behind. The economy is therefore, susceptible to shocks in the oil industry. Agriculture and other mining have been abandoned to rural poor. Economy and social infrastructure, especially power is grossly dilapidated. And poor corporate governance, both in public and private sector have led to high incidence of inequity distribution of income based on the above it is pertinent to take a critically look at impact of SAP on the socio economic performance of Nigerian economy during the period under review.

The Nigerian Economic Development Strategy: A Brief Historical Overview

The origin of Nigerian economy can be traced to the pre-colonial and colonial periods, especially from her incorporation into the circuit of international capital through colonial imperialism, which has continued in the form capitalist exploitation from the colonial era to the present stage of neo-colonial dependency or globalization. It is pertinent to note that, the Nigerian economy has undergone series of changes over time with different policy regimes. Torkaa 92004) noted that, prior to 1985; a medium term development plan was adopted as a major framework for developing and restructuring the economy. The first National Development Plan, 1962 – 1968, was developed to put the economy on a fast growth. The plan gave adequate priority to agriculture and industrial development as well as training of high-level and intermediate manpower. However, the disruptions to economic activities such as closure of the capital market, reduction in oil exploration and strike action by public and civil servants during the period later paved way for broader economic policies for reconciliation and reconstruction. Thus, the Second National

Development Plan, 1970 – 1974, was launched primarily to reconstruct and rehabilitates infrastructure that had been damaged during the Civil War. Thus, the government invested a lot of resources into the construction and rehabilitation of infrastructure as well as improving the income of the people.

The indigenization decrees of 1972 and 1974 put the commanding heights of the Nigerian economy in the hands of Nigerians within the context of nationalism. The third National Development Plan, 1975 to 1980, was designed under a more favourable financial condition of huge oil revenues that accrued to the nation from mid-1970s. However, the execution of the fourth national plan 1981 – 1985; was affected by the collapse of the international oil prices. Earlier in 1982 the government introduced the Economic Stabilization Act as an immediate reaction to dwindling oil earnings and major external sector imbalances. This was aimed at reducing government expenditure and conserving foreign reserves in order to improve the country's balance sheet. It was however found that there was need for a more fundamental reform to compliment austerity measures (Onwuka and Eguavon 2007)

According to Sanusi (2010), in 1986, the government accepted the International Monetary Fund-Sponsored Structural Adjustment Programme (SAP). SAP was aimed at removing cumbersome administrative controls and creating a more market-friendly environment underpinned by measures and incentives that would encourage private enterprise and more efficient allocation of resources. One might argue that SAP recorded some measure of success. However, some of the gains of SAP were eroded following the increased spate of policy reversals between 1988 and 1989.

Up to 1990, the economy witnessed some gains such as which were associated with increased deregulation and liberalization in economic management. However, owing to policy slippages, there was a reversal of trends in major macroeconomic aggregates thereafter, resulting from policy inconsistencies. Generally, frequent policy inconsistencies and reversals that characterized the period under review created distortions in the economy and were further compounded by external shocks, including the external debt overhang. Overall, SAP failed to realize the goals of creating wealth and promoting sound economic development as most of the policies were terminated prematurely or reserved out.

It is worthy to note that, Nigeria's experimentation with deregulation and liberalization was truncated in 1994 with the advent of a military government under General Sani Abacha who fancied the movement from the western world of the Middle East and Asia. Thus, the federal government re-regulated the economy, by capping exchange and interest rates due to high nominal interest rates that reached an all time high of 48.0 percent in commercial banks and 60.0 percent in non-bank financial institutions (CBN 1994). These rates were in turn driven by the high rates of inflation at 48.8 percent in 1992 and 61.3 percent in 1993 (Central Bank of Nigeria, 1994).

The International Monetary Fund (IMF) in its 2002 Annual Report stated that, the economy of Nigeria shrunk by 0.9% in the year. The report also stated that the last time that Nigerian recorded negative growth in the economy was in 1989, at the height of the Structural Adjustment Programme (SAP). In an enlightened editorial, a national newspaper stated that:

> *The economy of Nigeria to all intent and purposes, run rudderless robbed of the deft and steady hands of creative managers. Policy uncertainty, executive arbitrariness, unsustainable expansionary spending, and wastages are the defining characteristics of what could pass for monetary and fiscal policies. The logical effects are there for all to see: decaying infrastructure, growing unemployment, deepening poverty, increasing crime and insecurity (This Day Newspapers, Nov. 12, 2002).*

This means that the poor performance of the economy has negative impact and poses threats to not only the corporate existence of the nation but also on the nation human security, now, and in the future. The Nigerian economy, despite its vast human and natural resources, has not manifested the required managerial, institutional, and structural changes that would guarantee rapid and sustainable growth conducive to an acceptable minimum standard of living. The productive and technological bases, which are the prime movers of the economy, are weak, obsolete, disperse and lack sectoral linkages. That will mobilize and utilize the resources of the society for over all development.

Pitiably, the Nigerian economy is largely dependent on oil, which generates over 90 percent of Nigeria's foreign exchange, and is therefore vulnerable to externally generated shocks. Operating within the oil cycles Nigeria is an oil-based mono-cultural economy and the country's fortunes will continue to rise and fall with the prices of oil. According to Dunmoye, (2004), the agricultural sector which was the major source of revenue for the nation faces the problems of poor rural infrastructure, poor distribution of both agricultural produce and inputs, and high costs of inputs. All the above have been worsened by the collapse in the value of the naira with the attendant rapid increase of service changes on external debts.

The implication of Dumoye's analysis which can be used to make generalizations on the performance of the Nigerian economy shows that, the process of globalization which is technologically and economically driven has also fail to integrate the Nigerian economy at an advantageous level into the global economic system. The Nigerian economic crisis then follows in terms of declaim in the production of goods and services, the increase of poverty, increase unemployment and general reduction in the standard of living. This was the crisis that led the General Babangida' regime to sort for alternative ways of improving the performance of the Nigerian economy hence the introduction of the Structural Adjustment Programme (SAP). This paper will now discuss the impact of SAP on the Nigerian economy to reveal whether the strategy rescued the economy or otherwise.

The Socio-Economic Impact of SAP on the performance of Nigerian Economy

The Structural Adjustment Programme (SAP) was purportedly adopted to correct structural imbalance in the Nigeria economy practically, however the implementation of its conditionalities have further ruin the economic situation in Nigeria. Consequently, it has therefore created unemployment, poverty, production, trade, and political problems in Nigeria. The negative implication of the Structural Adjustment Programme (SAP) on the Nigerian economy shall be discussed under the following subheading.

Poverty

The Structural Adjustment Programme (SAP) which was adopted to alleviate poverty reactions increased the poverty conditions in Nigeria. Available data show that right from 1985 to 2011; the poverty level in Nigeria has been on the increase as seen in the table below;

Table 3: National Poverty Incidence (1985 – 2010)

Year	**National Poverty Incidence%**	**Population in Poverty (Million)**
1985	46.3	34.7
1992	42.7	39.2
1996	65.6	67.1
2004	54.4	68.7
Total	**69**	**112.47**

Source: NBS, 2010

The data presented in table 3 above on National Poverty incidence indicate that in 1985, 46.3% representing 34.7 million people were categorized to be poor, and these figures continue to rise. For instance, in 2010, the percentage of the poor rose to 69% of 112.47 million Nigerians. Again, the baseline forecast for 2011 indicates that relative poverty and absolute poverty are expected to increase further to 71.5% and 61.9% of the population respectively in Nigeria in this era of globalization. This is seen below:

Table 4: Poverty Rates (2004 – 2011)

Category	**2004**	**2010**	**2011**
Relative Poverty	54.4	69.0	71.5
Absolute Poverty	54.7	60.9	61.9
Dollar Per Day	62.8	61.2	62.8
Estimated Population (Million)	126.3	163	168

Sources: NBS 2011, harmonized Nigeria Living Standard Survey, 2011

The above figures show that, the rate of poverty was prevalent in the rural areas than in the urban areas. Relative poverty and absolute rates were 73.2% and 66.1 respectively in the rural communities in 2010 as against 61.8% and 52.0% in the urban areas. Similarly, the population living below one dollar per day was 66.3% in the rural areas, compared with 52.4% in the urban areas. All these are clear indication that globalization has not brought any solution to the problematic of Nigeria economic especially in the area of alleviating poverty both in urban and rural areas of Nigeria.

Table 5: Incidence of Poverty by zones using different poverty measures (%)

Zones	Food Poor	Absolute Poor	Relative Poor	Dollar Per Day
North Central	38.6	59.5	67.5	59.7
North East	51.5	69.0	76.3	69.1
North West	51.8	70.0	77.7	70.4
South East	41.0	58.7	67.0	59.2
South-South	35.5	55.9	63.8	56.1
South-West	25.4	49.8	59.1	50.1

Source BS, 2010 Report

Table 6: Relative Poverty; Non-poor, moderate poor and the extremely poor (%) (1985-2010)

Year	Non-Poor	Moderately Poor	Extremely Poor
1992	57.3	28.9	13.9
1996	34.4	36.3	29.3
2004	43.3	32.4	22.0
2010	31.0	30.3	38.7

Source: NBS, HNLSS, 2010

The distribution of the population into extremely poor, moderately poor and non-poor, the proportion of the extremely poor increased from 12.1 in 1985 to 29.3 in 1996 and hen came down to 22.0% in 2004 before reaching 38.7% in 2010. The percentages for the other two are carefully represented in the table above.

Considering, the poverty profile and data available, we can say that SAP as an agent of globalization in Nigeria has rather increased poverty from 1985 to 2011 thereby making the Nigerian economy to perform poorly.

Unemployment

Closely related to the poverty level of Nigerians is the increasing level of unemployment. Structural Adjustment Programme (SAP) also impacted negatively on the level of unemployment in the country, thereby creating economic hardship on the people. Available data from National Bureau of statistics NBS and CBN indicated that with the advent of the Structural Adjustment Programme (SAP) the level of unemployment tin Nigeria is increasing geometrically with its attendant consequences. The impact of globalization, by implication SAP on the level of unemployment in Nigerian is presented in the table below.

Table 7: National Unemployment Rates, Nigeria, 2002 - 2007

	Composite		**Urban**		**Rural**	
Survey Period	**ILO**	**NIG**	**ILO**	**NIG**	**ILO**	**NIG**
2002		3		3.8		2.7
2003	2.9	14.8	3.2	17.1	2.7	13.8
2004	2.8	11.8	3.3	11.0	2.6	12.1
2005	3.3	11.9	4.3	10.1	2.8	12.6
2006	3.5	14.6	4.6	10.0	2.9	15.1

2007	3.5	10.9	4.7	10.0	2.9	12.6

Source: National Bureau of Statistics 2007

The data above revealed that the Structural Adjustment Programme (SAP) as an agent of globalization through its activities of downsizing the government spending, rationalization and retrenchment of workers created the problem of unemployment. For instance, in 2002, urban and rural unemployment stood at 3.8% and 2.7% respectively while this progress steadily to 10% (urban) and 12.6% (rural) respectively in 2007. The impact of this becomes more excruciating when it is perceived and assess within trend and pattern of unemployment in the table below.

Table 8: Trends and Pattern of labour force in Nigeria 2008-2011

Pattern	**2008**	**2009**	**2010**	**2011**
Labour force	61,191,700	63,149,835	65,170,629	67,256,090
Employment	52,074,137	50,709,317	51,224,115	51,181,884
Unemployment	91,117,563	12,440,517	13,946,515	16,074,205
Employment Rate	85.1	80.3	78.6	76.1
Unemployment Rate	14.9	19.7	21.4	23.9

Source: NBS, 2011

From the above, the total number of unemployed persons stood at 16.07 million in 2011 as against 13.95% in 2010. Consequently, the rate of unemployment rose to 23.9% in 2011 from 21.4% in 2010.

The rate of unemployment continued to be prevalent in the rural areas more than in the urban areas. Unemployment rate in the urban communities stood at 25.6% in 2011 against 21.2% in 2010. It also raised high in urban areas at 17.1% as against 15.2% in 2010 (NBS, 2011).

Table 9: Unemployment Rate by Educational Level 2011

Education Attainment	**Urban**	**Rural**	**National**
Never attended%	19.0	22.8	22.4
Primary school%	15.5	22.7	21.5
Modern school%	14.5	27.5	24.3
Voc/com school%	34.5	27.0	28.7
JSS%	16.6	36.9	33.4
SS O' Level%	13.9	22.5	20.1
A level%	34.1	29.7	31.0
NCE/OND/Nursing%	17.2	22.5	20.2
BA/B.Sc/HND%	16.8	23.8	20.2
Tech/Prof%	5.0	27.9	20.6
Masters%	3.2	8.3	5.1
Doctorate%	11.1	7.7	9.1
Others%	31.3	36.1	35.5

Source: NBS, 2011

The available data above shows that the Nigerian economy is in crises with the policy of Structural Adjustment Programme (SAP) owing to the fact that it has failed to offer employment to her teeming population.

Trade

The integration of Nigeria economy into the global capitalist economy is to create new links between Nigeria and developed world. Globalization in Nigeria has occurred largely as a consequence of moves towards external liberalization, part of broader shift to more market oriented and market led development strategies often in line with the stabilization and Structural Adjustment Programme of the IMF and World Bank. It has been proven that the ratio of world trade to GDP in nominal terms has been on a steady rise since 1987 in advanced economics but this is not so in Nigeria. The volume of trade in Nigeria from 1985 to 2008 as contained in a table below show that while there is improvement in the world trade during this period under study that is, from 1985 to 2008, the effect was not to be felt in Nigeria.

Table 10: Export, import and volume of trade 1985 – 2008

Year	**Exports (₦) billion**	**Imports (₦) Billion**	**Volume of Trade (T/Y)**
1985	12.2	7.1	6.8
1986	8.4	5.9	4.1
1987	28.2	17.9	17.7
1988	31.7	21.4	12.5
1989	63.2	30.9	32.5
1990	120.1	45.7	71.1
1991	132.4	89.5	63.5
1992	226.9	143.2	63.0
1993	224.5	166.1	52.7
1994	214.2	162.8	42.7
1995	868.4	755.1	-1.8
1996	1376.9	562.6	-1.6
1997	1247.6	845.7	0.0
1998	819.8	837.4	-7.8
1999	1189.0	862.5	-3.1
2000	1945.8	963.0	7.0
2001	1868	1358	10.08
2002	1750	1669	9.88
2003	30.98	2298	14.81
2004	4620	2194	19.46
2005	6310	2496	24.9
2006	7325	4247	31.6
2007	8120	4350	32.7
2008	9495	4991	36.3

Note: Volume of Trade is computed as total trade/GDP

T = Total Trade, Y = GDP

Source: Computed from CBN Annual Report and Statement of Accounts 1985, 1990, 1995,2000, 2005, 2007, 2008

Again, crude oil dominated the country's merchandise exports from this period under review showing that the economy is yet to be diversified. The CBN report of 2010, show that crude oil exports were at 85.53% in 2009 and 70.15% in 2010.

Similarly, the non-oil exports accounted for the remainder of 15.47% in 2009 and 28.85% in 2010. Total exports value however increased by 74.99% in 2010, inspired by increased in domestic crude oil production and favourable prices in the international market.

Following the globalization trend, Nigeria has been liberalizing her economy. But the real sectors have had to function under conditions of unstable macro-economic management inadequate technology and credit facilities. These have proved to be an obstacle to strengthening the productive base, especially of agriculture and industry, in order to make them export-oriented. Thus, in spite of the openness of the Nigerian economy, external trade performance has not been encouraging as showing in the above table.

Again, in a related study carried out by World Bank (2002) indicated that oil exports dominated Nigeria's foreign trade, accounting for more than 80% of exports between 1985 to 2002. Food, agricultural raw materials and manufactures accounted for only 1% of totals exports in 1990, but this fell to 0% in 2000. In between that period, the country never exported ores and metals. As a monocultural exporter, over 80% of Nigeria's exports are made up of crude oil petroleum. But instability in the world oil market sometimes negatively affects oil exports, leading to such circumstance to decline in foreign exchange earnings. This partly explains the country's resources to external funding in order to meet its development challenges. But external borrowing exposes Nigeria to indebtedness, which reach 29.8 billion in 2002. The servicing of this debt depleted the national treasury by 1.2 billion dollars out of 10.7 billion dollars of foreign exchange earned that year (CBN Annual Report, 2002).

It is also evident that financial market liberalization also exposes the country to volatility and shocks. Yet, access to credits is granted to the country under strict conditionalities. Moreover, the shortfalls in servicing Nigeria's debt have led to the suspension of insurance cover for exports of goods, services and investment of the country. Considering the above background, Onuwuka and Eguavoen (2007) stated that Nigerian importers are required to provide 100% cover for all their order. As such, they are placed at competitive disadvantage to those who access to Export Guarantee Agencies (ECGA) covers and import credit facilities (Debt management office, 2001).

Political Implication of Globalization in Nigeria

In any political system, government embarked on economic measures which are beneficial to its population. The political decision to adopt SAP and other polices of globalizations in Nigeria was to stimulate development. The policy of SAP in Nigeria could be explained in the context of political motive of the leadership then and now. According to Audu (2004:9) the Structural Adjustment Programme is thus implemented to the advantage of the ruling class, using the instrumentality of the state to perpetuate their economic cum political domination and exploitation of the poor masses. This means that SAP has immediate attendant consequences on the socio-political and economic life of the Nigerian society.

The privatization process in Nigeria which is part of SAP created a political scenario where every ethnic group struggled for its own share of national cake. This includes not only the struggle for resource allocation, but also political appointments, recruitment and employment into the public services. It is in this thinking that Saraki (2004:59) argues that:

> *The dwindling national resources, especially after the introduction of the IMF Structural Adjustment Programme by the military government of Ibrahim Babangida in 1986, and the divide and rule survival strategy of successive military governments, which played the various regions and communities against one another, exacerbated this competition and intensified the feelings of marginalization across the broad sections of the country.*

Therefore, it is not surprising that those closely related to the source of power and resources are easily excluded by those who are not close to power. This shows that, those outside political power are marginalized and exploited and as such it increases the level of exclusion which in turn exacerbated ethnic frustration and conflict. The relationship between the two groups therefore become like tinder –box, waiting to ignite by even the slightest act of trespass. For instance, from 1985 to 2011 9especially from 1999 to date that the country returned to democratic rule,) there have been 20 incidents of ethnic communal violence and electoral violence across the country (Tsuwa 2011).

Conclusion

The findings revealed that globalization introduced SAP and has placed Nigerian economy in a perpetual state of dependency created by Bretton Woods institutions. It is the conclusion of this paper that there is the need to evolve measures that will reduce the devastating effects of globalization on the Nigeria's economy which has brought about rising level of poverty, unemployment, trade deficit and dependency in the country.

Nigeria should therefore recognize and accept the necessity to transform and restructure the politics and political administration of the world institutions, and Nigeria should be allowed equal opportunities in world organizations and institutions by developed countries. This should be conditioned within the argument of justice, equity, fair play and peace. The trade imbalance between developed World and Nigeria must be corrected.

Two, Nigeria state should evolve a democratic system of government that is not simply liberal democracy in the direction of multi-party electoral competition, but a democracy that will focus on economic rights and social justice, the democratization of Nigerian state will involves the decentralization of powers, functions, and resources from the centers to the sub-national units.

Three, there should be a balance and mix between the roles of the state and the markets. The role of the state should be directed at protecting indigenous small scale industries.

Four, there is need for Nigeria to embark on capacity building through the expansion and development of her physical infrastructure such as roads, railways, telecommunication, housing, health services and education. This can further reduce the plight of unemployment and poverty in the country.

Lastly, for Nigeria to effectively participate and benefit from the globalization process, she must redefine her concept of technology rather than accept the imperialist view that technology can be transferred or transplanted, attention should be based on adaptable technology. This should be supported by massive science and technological education. Nigeria should participate in this process within the parameter off comparative advantage were she acquire commensurate value for her human and natural resources that play fundamental role in the development of the countries of the north.

Biography of the Author

Mr. Lawrence Terungwa Vihimga was born on the 24th September, 1980 in Ukum Local Government Area of Benue State, Nigeria. He completed his Primary Education in 1990, Secondary Education in 1997, and had his National Certificate in Education in 2001. He is a graduate of Political Science from Benue State University, Makurdi 2007. He is undergoing a Masters degree in International Relations and Strategic Studies with Benue State University, Makurdi. He has published articles and has attended conferences locally. He currently lecture's at College of Education, Oju, Benue State, in the Department of Political Science. He is happily married to Mrs. Joy Hembafan Vihimga.

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