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COURSE TITLE: GLOBALISATION

COURSE CODE: ECO 410

ASSIGMENT TITLE: GLOBALIZATION

1. **Analysis of the concept of globalization.**

Globalization is a process where people, companies, and governments from different nations interact and integrate through international trade and investments has effects on the environment, culture, political systems, economic development and on the human physical well-being in societies around the world”. Through the Internet, media, planes, international business and embassies we are now more connected to each other than ever before.

Globalization or globalisation is the process of interaction and integration among people, companies, and governments worldwide. As a complex and multifaceted phenomenon, globalization is considered by some as a form of capitalist expansion which entails the integration of local and national economies into a global, unregulated market economy.Globalization has grown due to advances in transportation and communication technology. With the increased global interactions comes the growth of international trade, ideas, and culture. Globalization is primarily an economic process of interaction and integration that's associated with social and cultural aspects. However, conflicts and diplomacy are also large parts of the history of globalization, and modern globalization.

Economically, globalization involves goods, services, the economic resources of capital, technology, and data. Also, the expansions of global markets liberalize the economic activities of the exchange of goods and funds. Removal of cross-border trade barriers has made formation of global markets more feasible.[citation needed] The steam locomotive, steamship, jet engine, and container ships are some of the advances in the means of transport while the rise of the telegraph and its modern offspring, the Internet and mobile phones show development in telecommunications infrastructure. All of these improvements have been major factors in globalization and have generated further interdependence of economic and cultural activities around the globe.

Though many scholars place the origins of globalization in modern times, others trace its history long before the European Age of Discovery and voyages to the New World, some even to the third millennium BC. Large-scale globalization began in the 1820s. In the late 19th century and early 20th century, the connectivity of the world's economies and cultures grew very quickly. The term globalization is recent, only establishing its current meaning in the 1970s.

In 2000, the International Monetary Fund (IMF) identified four basic aspects of globalization: trade and transactions, capital and investment movements, migration and movement of people, and the dissemination of knowledge. Further, environmental challenges such as global warming, cross-boundary water, air pollution, and over-fishing of the ocean are linked with globalization. Globalizing processes affect and are affected by business and work organization, economics, socio-cultural resources, and the natural environment. Academic literature commonly subdivides globalization into three major areas: economic globalization, cultural globalization, and political globalizatio

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CAUSES: There is no denying that globalization has made foreign trade simpler than it used to be. In the past, importing or exporting goods to other countries was a difficult task. It was also a time-consuming and expensive process. Getting products to other countries took a long process because of the ties that existed between different regions. But now a lot has changed. Globalized trade has taken a different form, moving away from the rigid and challenging process it involves past. However, the term globalized trade also implies engaging in import and export businesses with other countries. There are also different reasons why many companies get involved in foreign trade in the first place. But the beauty of the whole process is that globalization has not only made the process a bit easier. It has also opened more opportunities for traders or countries with high interest to do business. For example, companies that are into production of certain goods can source their raw materials required for production elsewhere, mainly when not available locally. They can import materials from other countries for production to continue and to meet the demands of their customers. In addition to that Globalized trade also gives companies and entrepreneurs the privilege of creating a new market for their products. On the other hand, through comparative advantage, companies can relocate to other places that are far less expensive or cost-effective with regards to the day to day running of the business.

CONSEQUENCES: Globalization has brought benefits in developed countries as well as negative effects. The positive effects include a number of factors which are education, trade, technology, competition, investments and capital flows, employment, culture, and organization structure.

CORE INDICATORS AND DRIVERS OF GLOBALIZATION

Some drivers of globalization are;

* Transport
* Communication
* Computer Data Flow
* Electronic Transfers
* Migration
* Satellite Communication
* International Focus on the UN

B. THE EFFECT OF THESE DRIVERS ON THE NIGERIAN ECONOMIC GROWTH AND DEVELOPMENT

* TRANSPORTATION

Due to a positive impact of globalization on transportation, it has led to a direct effect on production process, manufacturing process and thus exportation. With transportation like trucks and its likes the proximity of materials for production does not matter as much as it can be conveyed from anywhere without hassle and it can be transported to anywhere in the world for consumption, be it exportation or local consumption.

Furthermore, due to globalization, these forms of transportations, especially the use of aero planes have led to easier means of trading , partnerships with foreign investors and multinationals , (Emirates, British airways, KLM, Alitalia, etc.) , which has in turn led to foreign investments , increasing economic growth (provision of Jobs , higher standard of living), and aiding economic development in Nigeria.

* COMMUNICATION

Communication likewise transportation has received increase in positivity from globalization which has impacted the Nigerian economic growth and development. From globalization communication have evolved tremendously from the western world standing as teachers and spreading its works and findings. Now communication is faster, more reliable, easy (as little and easy as a text message showing credit or debit alerts), to e-mails containing contracts .etc. It has also come with foreign investors acting as network providers (MTN), to local investors increasing economic growth as network providers too. (Airtel, GLOBALCOM, etc.)

* COMPUTER DATA FLOW

Computer data flow talks about the internet and ICT (Information Communication Technology) and its evolvement in our world today and ts widespread to various countries including Nigeria. This is a mainstream that has affected the Nigerian Economic Growth and Development in various ways. Now goods and services are marketed virtually with a wider range of consumers around the world, virtual classes can be held and many more. It has helped different sectors and industries in Nigeria .Namely with what I believe is the largest share, the Entertainment Industry. This has benefited greatly from the internet, the agricultural sector (as small as eggs can be sold online). The advertising game is very strong virtually and this has brought recognition, growth and development to Nigeria’s economy.

* ELECTRONIC TRANSFERS

Electronic transfers come with the use of internet banking, which is product that enables the Bank leverage on the Internet Banking System Module in-built on the new Banking application implemented by Banks to serve the online banking needs of customers.

 Also under electronic transfers is Point off Sale (POS) Machines, which is a payment device that allows credit/debit cardholders make payments at sales/Purchase outlets. These and many more like the mobile banking is introducing the use of the cashless policy in Nigeria which is contributing to the development and growth of the Nigerian Economy.

* MIGRATION

Migration has affected Nigeria’s economy, positively and negatively. It is a strong indicator of globalization. Due to globalization some cities and states have developed faster than others, hence a lot of rural-urban migrations occur frequently .Labor is being transferred from one location to the other, in search of greater opportunities. Apart from local migration, labor is also migrating internationally, this can be said to be good and bad for the economy. But with increased expertise brought by migration there is a positive impact in Nigeria’s economy and a shift towards development.

1. To begin with, the ‘Global Village” refers to the idea of an increasingly unified world where effects of globalization allow us to overcome the limitations of physical distance. For the global market to run effectively, there are policies enacted for its smooth running. These policies have implications and environmental effects that affect the global markets, Nigeria inclusive.

To start with a recent implication and occurrence, global policies enable movement of products and people across the globe which in turn facilitates the spread of diseases and increasing the risk of outbreak. A relevant example is the ongoing pandemic and outbreak of the Corona Virus which was spread and got to Nigeria with the help of a global means and free entry and border passages.

Furthermore Global policies has caused in most cases developing countries like Nigeria to live at the mercy of the super powers of the developed countries in terms of military economic manipulations and even Health as in the case of Ebola treatment drugs and the recent helpless condition of Nigeria in this present corona virus crisis.

 Policies of deregulation, privation and commercialization, packaged by the International Monetary Fund, the World Bank and the World Trade Organization, do not take into account the economic peculiarities of Nigeria. This effect automatically weakens the country’s sovereignty.

 Yes, Nigeria is benefitting from global rules and policies but we do not seem to be receiving much in terms of technological transfers, industrialization and economic development in general. Despite being a member of the global market and enjoying a good section of perks from international trade, Nigeria is still a consuming country and not a producing country and most of our exported cash goods are being stifled in the global market by developed countries. For example despite being a producer and exporter of crude Nigeria still lacks refineries and crude oil from Dubai is preferred.

 Talking about International Trade Nigeria loses more than it receives. It terms of ‘Dumping”, Nigeria has suffered more from this. There’s also the aspect of multinationals coming into the economy to stifle the growth of locally grown companies. Most local companies have closed down today due this effect. A popular example of this is local fast food companies closing due to overpowering of the foreign fast food companies and restaurants.

Nigeria, being a developing country has little or no say in the policy makings of the global market and village and in my point of view to be a suitable member of a global group of economies , a country has to bring up effective and pragmatic policies not to always end up at the short end of the global stick as I believe Nigeria has, with its ‘sponging effects” ( absorption of all and giver of none).