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ECONOMICS

400 LEVEL

ECO 410

GLOBALISATION

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1. Concept of globalisation

 First, globalisation refers to the process of the intensification of economic, political, social and cultural relations across international boundaries. It is principally aimed at the transcendental homogenization of political and socio-economic theory across the globe.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. It also refers to the emergence of an international network of economic systems.

 Globalization is the process of [interaction](https://en.wikipedia.org/wiki/Foreign_relations) and integration among people, companies, and governments [worldwide](https://en.wikipedia.org/wiki/World). 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](https://en.wikipedia.org/wiki/Transportation) and [communication](https://en.wikipedia.org/wiki/Communication) technology. With the increased global interactions comes the growth of international [trade](https://en.wikipedia.org/wiki/Trade), [ideas](https://en.wikipedia.org/wiki/Idea), and [culture](https://en.wikipedia.org/wiki/Culture). Globalization is primarily an economic process of interaction and integration that's associated with social and cultural aspects. However, conflicts and [diplomacy](https://en.wikipedia.org/wiki/Diplomacy) are also large parts of the [history of globalization](https://en.wikipedia.org/wiki/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. The [steam locomotive](https://en.wikipedia.org/wiki/Steam_locomotive), [steamship](https://en.wikipedia.org/wiki/Steamship), [jet engine](https://en.wikipedia.org/wiki/Jet_engine), and [container ships](https://en.wikipedia.org/wiki/Container_ship) are some of the advances in the means of [transport](https://en.wikipedia.org/wiki/Transport) while the rise of the [telegraph](https://en.wikipedia.org/wiki/Telegraph) and its modern offspring, the [Internet](https://en.wikipedia.org/wiki/Internet) and [mobile phones](https://en.wikipedia.org/wiki/Mobile_phone) show development in [telecommunications](https://en.wikipedia.org/wiki/Telecommunication) infrastructure. All of these improvements have been major factors in globalization and have generated further [interdependence](https://en.wikipedia.org/wiki/Interdependence) of [economic](https://en.wikipedia.org/wiki/Economy) and cultural activities around the globe.

the [International Monetary Fund](https://en.wikipedia.org/wiki/International_Monetary_Fund) (IMF) identified four basic aspects of globalization: [trade](https://en.wikipedia.org/wiki/Trade) and [transactions](https://en.wikipedia.org/wiki/Financial_transaction), [capital](https://en.wikipedia.org/wiki/Capital_%28economics%29) and [investment](https://en.wikipedia.org/wiki/Investment) movements, [migration](https://en.wikipedia.org/wiki/Human_migration) and movement of people, and the dissemination of knowledge.[[9]](https://en.wikipedia.org/wiki/Globalization#cite_note-12th_April_2000:_IMF_Publications-9) Further, environmental challenges such as [global warming](https://en.wikipedia.org/wiki/Global_warming), cross-boundary [water,](https://en.wikipedia.org/wiki/Water_pollution) [air pollution](https://en.wikipedia.org/wiki/Air_pollution), and [over-fishing](https://en.wikipedia.org/wiki/Overfishing) of the ocean are linked with globalization. Globalizing processes affect and are affected by [business](https://en.wikipedia.org/wiki/Business) and [work](https://en.wikipedia.org/wiki/Employment) organization, economics, socio-cultural resources, and the [natural environment](https://en.wikipedia.org/wiki/Natural_environment). Academic literature commonly subdivides globalization into three major areas: [economic globalization](https://en.wikipedia.org/wiki/Economic_globalization), [cultural globalization](https://en.wikipedia.org/wiki/Cultural_globalization), and [political globalization](https://en.wikipedia.org/wiki/Political_globalization).

 **CORE INDICATORS**

 Globalisation as emerged as a result of rapid integration of national economies into global economic framework. These drivers are

**a**. Migration; Human migration is the movement of people from one place to another with the intentions of settling, permanently or temporarily at a new location (geographic region). People may migrate as individuals, in family units or in [large groups](https://en.wikipedia.org/wiki/Mass_migration). The movement is often over long distances and from one country to another, but [internal migration](https://en.wikipedia.org/wiki/Internal_migration) is also possible; indeed, this is the dominant form globally. The movement is often over long distances and from one country to another, but [internal migration](https://en.wikipedia.org/wiki/Internal_migration) is also possible; indeed, this is the dominant form globally. Globalization has made migration much easier through better communications, dissemination of information through mass media and improved transport, among others. It is the increasing trade and investment flows in many regions, which facilitated interest and awareness in migration.

b. Transportation and communication; Transport and communication are a way for us humans to overcome the barrier of physical distance. Communication is the passing of information or data from one source to another. Transport usually involves means of transport such as roadways, railways, air travel etc.

Transportation boosts trade in goods and contributes to the global economy as a cluster of service sectors. It includes carriage by air, by railway and trucks, and by sea.

Global communication and transportation is directly affected by the process of globalization, and helps to increase business opportunities, remove cultural barriers and develop a global village. Both globalization and global communication have changed the environmental, cultural, political and economic elements of the world.

**c**. Electronic transfer; electronic funds transfer (EFT) is the transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff. Electronic banking contribute the globalization is essential in that it brings new technology which help improve banking services and infrastructure hence reduce fraudulent activities, new risk management techniques and increased confidence in the banking sector.

**d**. computer dataflow; globalization is not heading into reverse. Rather, it is entering a new phase defined by soaring flows of data and information. Using digital platforms and tools, they can sell in fast-growing markets while keeping virtual teams connected in real time. This is a moment for companies to rethink their organizational structures, products, assets, and competitors. It is projected to increase as flows of information, searches, communication, video, transactions, and intracompany traffic continue to surge. In addition to transmitting valuable streams of information and ideas in their own right, data flows enable the movement of goods, services, finance, and people. Virtually every type of cross-border transaction now has a digital component. Trade was once largely confined to advanced economies and their large multinational companies. Today, a more digital form of globalization has opened the door to developing countries, to small companies and start-ups, and to billions of individuals. Small and midsize enterprises worldwide have turned themselves into exporters by joining ecommerce marketplaces such as Alibaba, Amazon, eBay, Flipkart, and Rakuten. Approximately the global goods trade is conducted via international e-commerce. Today, even the smallest firms can compete with the largest multinationals. Individuals are using global digital platforms to learn, find work, showcase their talent, and build personal networks. Some people have international connections on social media, and take part in cross-border e-commerce. Digital platforms for both traditional employment and freelance assignments are beginning to create a more global labor market.

In this increasingly digital era of globalization, large companies can manage their international operations in a leaner, more efficient ways. Using digital platforms and tools, they can sell in fast-growing markets while keeping virtual teams connected in real time. This is a moment for companies to rethink their organizational structures, products, assets, and competitors. Global flows of all types support growth by raising productivity, and data flows are amplifying this effect by broadening participation and creating more efficient market.

**e**. troops movement; troops movement globalization is the process which embodies the growing extensity and intensity of military relations among the political units of the world system. This may be as a result of geopolitical order, great power rivalry, conflict and security relations.

**f**. satellite communication; A communications satellite is an artificial satellite that relays and amplifies radio telecommunications signals via a transponder; it creates a communication channel between a source transmitter and a receiver at different locations on Earth. **Satellite communication,** in [telecommunications](https://www.britannica.com/technology/telecommunication), the use of artificial [satellites](https://www.britannica.com/science/satellite) to provide communication links between various points on [Earth](https://www.britannica.com/place/Earth). Satellite communications play a vital role in the global telecommunications system. Artificial satellites orbiting Earth relay [analog](https://www.merriam-webster.com/dictionary/analog) and digital signals carrying voice, video, and data to and from one or many locations worldwide

**g**. international focus on the UN; The United Nations is an international organization founded in 1945 and committed to maintaining international peace and security; developing friendly relations among nations; promoting social progress, better living standards and human rights. globalization, roughly defined as the global integration of economies and societies,affects many aspects of young peoples' lives. Many countries have seen improvements in their welfare and educational systems as a consequence of globalization. It provides solutions to conflicts and formulates policies on international affairs but not makes laws. It plays a role in finding solutions that preserve the benefits of globalization while protecting those who suffer or have been left out. The UN should play a more important role.

1b. How the drivers affect the Nigerian growth and development?

The effects of globalization to the Nigerian economy include:

1) Increased specialization and efficiency: Globalization has enriched the world economically, scientifically and culturally. This is because; globalization opens the economies to a wide variety of consumption of goods, new technology and knowledge.

2) Better quality of products at reduced price// Globalization promotes the rapid output growth that will increase national income and as a consequence enhance higher standard of living of developing country like Nigeria.

 3) Economics of scale in production: Globalization creates global market places, which, with the development in communication technology, can be accessed by any person from any location. This opens up a world of opportunities for business and also links them to market.

4) Competitiveness and increased output:Globalization has reduced the barrier existing in international trade. The reduction in those barriers has opened the door for export led growth.

5) Technological improvement and increased managerial capabilities: Through the ICT, globalization allows the access to ideas on new things and best practices in all area of human endeavour. New designs, production technology, new managerial practices, etc. are made available to people, thereby helping them to change their old practices. These may lead to acquisition or imitation of foreign products, technologies and cultural practices

Others may include:

The opportunities to create wealth through the export-led growth, to expand international trade in goods and services and to gain access to new ideas, technologies and institutions.

 Since globalization entails trade liberalization, it means that there is free and unrestricted movement of trade, finance and investment across the international border. Globalization allows Nigeria to export and import goods, capital and investment without restriction.

**.** Globalization encourages research, since through the Internet; one can access websites of different authors, organizations, and companies in different countries of the world.

2 The greatest concern about globalization is the ever-increasing gap between the rich and the poor. The observation in this case is that while global wealth has increased, it has become concentrated in the hands of the few privileged individuals and few countries. The distribution of global wealth has never been fair.

There is very high inequality because while some countries such as India, Asia, United Kingdom, etc. have benefited from their integration into the global economy, most countries in Africa, more especially Nigeria where income has equally decreased is facing unrest and frustration (Salimono, 1999).

 Any adverse global shock in an interdependence world economy affects Nigeria. The propagation mechanism of the oil glut of 1982, 1998 and even 2015 brought decline in the import volume and change in the real price of commodities (oil). Since Nigeria depends heavily on crude oil as the main source of income or foreign exchange earnings, her revenue suffers when there is a global shock.

The effect of globalization is the fear of uncertainty and volatility on capital formation and productivity growth with its negative consequence on economic growth. There is economic instability as a result of tax on growth and prosperity (CBN, 2000). This problem of uncertainty is not from within but externally generated and Nigeria has not evolved a good mechanism that can absorb the shocks.

The social effect of globalization is another fear considered, since globalization is associated with instability of output and employment. Thus there could be fear of job security, which can bring industrial conflicts if any attempt is made to disengage employee.

Globalization tends to transmit the cultural pattern of developed countries to the rest of the world. In Nigeria today, our youths imitate the European and American consumption patterns, modes of transport, modes of dressing, method of communication including their music. They are at the verge of neglecting our cultural heritage.

Conclusion

From the discussion so far, it is clear that globalization is a welcome development not minding the problems inherent from it. It has both positive and negative impacts as discussed in this work but should be an irreversible process in Nigeria in accordance with natural laws.

In this article, we have looked at globalization and its effect on Nigeria Youths and the economy. It is unbearable and shame that many Nigeria children cannot speak their dialect or understand any of their cultures. It is also unfair that the girls do not cover their breasts and other private part properly, and this should be condemned. The cyber café crime should also be condemned in its entirety.

The advantages of globalization for Nigeria lie in the capacity for wealth creation through export led growth and the gains of expanded international trade of goods, services, and access to new products. Despite the fact that globalization provided opportunities for development and growth, there are associated serious problem that can be managed using appropriate fiscal policies. The macro-economic instability that had characterized Nigeria Government is as a result of globalization. The falls in price of crude oil, which is the major source of Nigeria revenue, affects the exchange rate of Naira, and as well affects both federal and states