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1. Attempt an analysis of the concept of globalization. What are the core indicators and drivers?

Answer:

Globalization is the term used to describe the growing worldwide integration of the people and countries. Globalisation refers to the process of the intensification of economic, political, social and cultural relations across international boundaries. WHO defines globalization as: “the increased interconnectedness and interdependence of peoples and countries. It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows.” It is principally aimed at the transcendental homogenization of political and socio-economic theory across the globe. It is equally aimed at “making global being present worldwide at the world stage or global arena”. It deals with the “increasing breakdown of trade barriers and the increasing integration of World market. The Committee for Development Policy, opines that globalization is: “(…) the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers (…) and the rapid growing significance of information in all types of productive activities and marketization are the two major driving forces for economic globalization.” Globalisation has progressed with developments in the world economy. The phenomenon has benefitted immensely from multilateral trading and investment arrangements, advance in technology and communication, and the opening up of trade and investment through liberalisation of current and capital account transactions.

Globalisation can be seen as an evolution which is systematically restructuring interactive phases among nations by breaking down barriers in the areas of culture, commerce, communication and several other fields of endeavour. This is evidenced from its push of free-market economies, liberal democracy, good governance, gender equality and environmental sustainability among other holistic values for the people of the member states. The process of globalisation is impelled by the series of cumulative and conjunctural crises in the international division of labour and the global distribution of economic and political power; in global finance, in the functioning of national states and in the decline of the Keynesian welfare states and the established social contact between labour and government. The hallmark of free-market capitalism has been aided among other factors by the sudden, though expected changes within the physiology of global political community in recent times. Because of the foregoing, globalisation could be correctly defined from the institutional perspective as the spread of capitalism. However, it is germane to adumbrate that the collapse of the Eastern bloc in the late 80s and early 90s led to the emergence and ascendancy of a global economy that is primarily structured and governed by the interests of Western countries, thus, facilitating the integration of most economies into the global capitalist economy. With the end of the Eastern Europe in the early 90s, capitalism as an economic system now dominates the globe more than it had been at any time in its history. Even, China, by far the largest non-capitalist economy, has undergone dramatic changes in its international economic policy orientation, and, is today the recipient of almost one-half of all foreign direct investments that go into developing nations - this is a country that essentially blocked all foreign investments until the 1980s (United Nations).

The features that characterize globalization include interconnection of sovereign countries through trade and capital flow; harmonization of the economic rules that govern the interaction or relationship between these sovereign nations; creation structures to support and facilitate dependence and interconnection; and creation of a global market place. Globalisation has provided the impetus for nations to tailor their development efforts towards competitiveness in order to remain relevant in the emerging global economy.

Globalisation has been facilitated by the activities of multinational corporations (MNCs), the multilateral monetary and financial system, especially the Bretton Woods institutions and the international trading arrangements. The components of globalization include: Movement of people, goods and services across the world, Interdependence of economic transaction, Belief on the efficacy of the market and Public and private sector development.

Globalisation has both positive and negative effects. The positive effects are numerous, but the most important include, increased specialisation and efficiency, 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 globalisation, ensures that consumers derive the best satisfaction since the best standards of quality are maintained through specialisation and competition. In addition, the volume of goods and services increases with the welfare of individuals enhanced across countries. The increase in FDI flows facilitate the growth in world trade and global output by increasing the international mobility of capital and ensuring efficient use of technological and other resources in the production process. Through investment and trade, firms specialise in production, with trade facilitating the process through specialisation. In addition, FDI facilitates the process through technological innovation and efficient deployment of resources to achieve lower unit cost of production. These processes help to increase global wealth, enhance living standards, ensure poverty reduction and improved welfare for the individual. Thus, globalization is crucial for worldwide economic growth and development. Rapid capital and financial integration has helped in the mobilisation of foreign savings for domestic investment and economic growth. It has also made capital to be more efficiently deployed. The favourable impact of globalisation on the world economy has been attributed to the slow growth in inflation, reduced fiscal imbalances with improved real interest rates and good prospects for investment and structural reforms, especially in the transition economies and heavily debt distressed economies applying adjustment programmes.

The adverse effects include, the accentuation of macroeconomic imbalances, marginalisation of economies that failed to apply appropriate policies and destabilizing impact of rapid short-term capital flows, especially when they cannot be absorbed in the production process and avenues for sterilisation are slim, increased inequality, a breakdown in societal values and traditions, increased unemployment in those countries with relatively low skilled labour due to the fact that labour mobility is higher under globalisation, increased unemployment due to job outsourcing, environmental degradation due to increased industrial activities, globalisation tends to encourage policy interdependence while reducing national policy sovereignty, especially for countries with uncompetitive economies, etc.

The drivers or indicators of Globalization are:

* Transport and communication
* Migration
* Satellite communication
* Computer data flows
* International focus on the UN
* Troops movement
* Electronic transfers etc.

 B) How do these drivers or indicators affect the Nigerian Economic growth and development.

* Transport, Communication and satellite communication:

First, they utilize a sizeable number of the nation’s labour force. In quantitative terms, the transportation sector accounted for at least 0.84 percent on the average of annual employment of 49,522,028 Nigerians between 2003 and 2007, and the real growth rates of employment in the sector at constant 1999 level were 13.28, 7.65, 5.39, 6.75 and 27.6 percent respectively for 2001, 2002, 2003, 2004 and 2005 (NBS, 2008). The implication is that positive developments in transportation are more likely to increase employment opportunities for the citizens.

Second, it increases the Gross Domestic Product (GDP) of Nigeria. Its services move goods and services to near and distant markets where they attract higher prices and profits for producers; the higher prices and profits from sales attract business units to expand production which end up increasing their level of output. Transportation services spur the level of economic activities and economic development by enhancing the mobility of production factors such as labour, capital and entrepreneurship, thus permitting large-scale production or operation and the attendant increase in output. These activities widen the area that consumers and producers can draw upon for their products and resources as well as expanding the area to which a given producer can distribute its products. Finally, its services and related revenues to transport owners increase with increase in productive activities and the employment of personnel and their incomes, etc increase.

Third, the Nigerian economy is crude oil and recently, natural gas driven. For instance, crude oil alone accounts for over 80 percent on the average of the Federal Government revenue annually as the figures 80.6, 84.7, 85.1, 87.2 and 78.1 percent for 2003, 2004, 2005, 2006, and 2007 respectively, show (NBS, 2008). But crude oil production in the country depend to a large extent on transportation especially pipeline, and to a lesser extent sea and road transportation. This implies that positive developments in transportation will affect the Nigerian economy positively through increase in crude oil production and the attendant increase in revenue to enable her become a truly strong and self-reliant economy.

Fourth, it allows geographical specialisation of industries. The existence of transportation services allows firms as well as regions of a nation to specialize in the production of goods or products and services which they can produce most economically in line with the Richardian principle of comparative advantage.

* Migration and troop movement:

Driven by lack of opportunities at a local level, migration has long been considered an essential strategy for improving individual and social well-being and expanding one’s possibilities for development. Poverty, instability, lack of access to education or other basic services are only some of the factors that can push individuals to migrate;

Migration can also be seen as an outcome of enhanced development because, as development takes place and income levels rise, so too does migration, with people having more resources and therefore more ability to migrate;

As a contributor to development, migration has resulted in better employment opportunities for the individuals, higher incomes, and has opened possibilities for acquiring or improving skills and knowledge.

At the household/family level, migration of family members often helps those remaining behind to increase their family income and improve healthcare and educational opportunities, with negative consequences including increased dependency on remittances, and separated families;

Migration has also been an inherent consequence of development-related initiatives, such as the effects of trade, evolution of agriculture, urbanization or other trends and policies that lead to migration or displacement.

* Electronic transfers and computer data flows:

Electronic transfers and computer data flows is emerging as an important catalyst for transformation of business, society, and government in the globalizing world. Today Electronic transfers and computer data flows forms the “backbone” of several industries, such as banking, airlines and publishing. It is also an important value adding component of consumer products, such as television, camera, car, and mobile telephone. Electronic transfers and computer data flows has facilitated packaging of information and sending the same across the world at negligible cost. It has opened up a vast array of possibilities worldwide. It has become a key element in what is seen as the globalization of society, providing technology that recognizes no national boundaries, that has no single owner, and that is not regulated or controlled by any single national or international legal framework. By radically facilitating outsourcing, management, regulation, logistics, just-in time controlling, and business-to-business and business-to-consumer contacts, it has revolutionized in a manner that we could not have imagined until recently, the internationalization of production.

2. The global village has become a contagious one, due to implications of policy and its environmental effects at affects the global markets. In your own view, is this true of the Nigerian case. Justify with clear examples.

Answer

Globalization has exacerbated environmental problems as well as provided new means for addressing them. Globalization has had a negative impact on the environment through deforestation. The overuse of natural resources due to increased demand and also the removal of ecosystems due to population growth have had a large negative impact on the environment. Extensive deforestation has occurred world-wide with the logging industry being fuelled by the need for disposable products. Thus, deforestation whether it is for an increase in demand or for expansion is causing a loss of biological diversity on the planet. Nigeria is not exempted from the impact of deforestation. The country’s rain forest is depleting fast majorly as a result of international trade.

Apart from contributing to the depletion of the ozone layer, deforestation also affects water cycle. Trees extract groundwater through their roots and release it into the atmosphere. When part of a forest is removed, the trees no longer evaporate away this water, resulting in a much drier climate. Deforestation reduces the content of water in the soil and groundwater as well as atmospheric moisture. Deforestation reduces soil cohesion, so that erosion, flooding and landslides occur. Globalization has brought about various forms of environmental pollution. Environmental pollution has been described as the contamination of the environment by biological, chemical, and or physical agents that are harmful to human, animal or plant, life and the general environment, and may arise through the natural events, industrial and human activities or the interaction of all. Pollution of the environment is attributed to the increase in industries, burning of fossil fuels to run the industries, machines and for transport of both raw and finished products to different places. The activities of oil industries and multinational corporations in oil producing areas of the country, mostly in the Niger Delta area is a major source of environmental concern in the country. Oil industry activities – exploration, production, refining, and transportation – have caused widespread social and ecological disturbances. These include explosions from seismic surveys, pollution from pipeline leaks, blowouts, flaring, drilling floods, and refinery effluents, as well as land alienation and widespread disruption of natural terrain from construction of oil related industrial infrastructure and installations. Oil producing areas in Rivers, Delta and Cross Rivers are most affected. The impact of the exploratory and extractive activities of global forces - Shell whose operation in Nigeria alone accounts for 14 % of its total global operations, Mobil Agip, Cheveron, Texaco, Total, etc. - have basically affected the social organization of the Ogoni people and the Niger Delta in general (Kelbessa, 2007). One major activity of these multinational companies that has a tremendous environmental impact is gas flaring. According to the World Bank, by 2002 flaring in the country had contributed more greenhouse gases to the Earth’s atmosphere than all other sources in sub-Saharan Africa combined – and yet this gas is not being used as a fuel (Friends of the Earth, 2004: 1-2). According to The News Magazine of 18 April 2011, the NNPC, in its May 2010 report, stated that of the 192 billion standard cubic feet (BSCF) of gas produced during the period, over 145 BSCF was flared. This is done at the detriment of the environment. All what flaring of gas does is to contribute to climate change which is already a major global threat, manifesting in food insecurity, diseases, skin cancer, and also increasing rise in the cost of extreme weather damage. People living in the area where gas is being flared are the worst hit. The flares contain toxins, such as benzene, which pollute the air, resulting in respiratory problems such as asthma and bronchitis. Gas flaring is environmentally unethical and has contributed significantly to the degradation of the environment in the region. According to Eregha and Irughe (2009), this practice may have altered the vegetation of the area, replacing natural vegetation with stubborn grasses and the presence of these grasses indicates that the soil is no longer fertile for cultivation of crops. A major example could be seen in Opuama and Sekewu communities in the Warri North Local Government Area of Delta State in the region. It is evident that gas flaring has affected the ozone layer of the region leading to climate change that is unhealthy to crops cultivation. In other words, due to the intense heat that accompanies gas flaring, vegetation in the vicinity are bound to be affected as plants will not grow in such an area.

Another major challenge of globalization in Nigeria is that of electronic waste (e-waste). “Electronic waste” or “ewaste” may be defined as all secondary computers, entertainment device electronics, mobile phones, and other items such as television sets and refrigerators, whether sold, donated, or discarded by their original owners. This definition includes used electronics which are destined for reuse, resale, salvage, recycling, or disposal.

As a result of lower environmental standards and working conditions in most developing countries, e-waste is being sent to these countries without any concern on the negative environmental impact as well as the negative impact on the health of the citizens of these countries.

Consequently, the electronic gadgets that are unusable and unserviceable have to be dumped in dumpsites, constituting health hazard for Nigerians. These dumpsites are daily visited by scavengers, especially women and the youth who are in search of metals that can be sold for various uses. The remnants are usually burnt, resulting in toxic emissions and air pollution thereby compounding health problems and also adding to the depletion of the ozone layer. An estimated 53, 600 metric tonnes of e-waste are dumped annually at Lagos State landfills which include 860,000 computers, 530,000 printers, 900,000 monitors and 480,000 television sets (LASEPA, 2011). E-waste is considered a crucial environmental issue due to its rapidly growing volume and hazardous content which may leak into the environment if it is not properly disposed of, and cause adverse effect on human health and the environment. Dumping of e-waste in any environment including Nigeria has negative health consequences such as leaching toxins into the soil, air and groundwater which later enter into crops, animals and human body systems causing contamination and pollution. Medical experts have warned that exposure to these substances can cause damage to blood and nervous systems, DNA, immune systems, kidneys and can lead to respiratory and skin disorders and lung cancer and can interfere with regulatory hormones and brain development.

Globalization has not only made cross border transportation easy but has also made the migration of diseases easy as well. This is evident with the wide spread pandemic that is Corona Virus which has put the world economy in turmoil. By all accounts, the human immunodeficiency virus (HIV) and its disease manifestation, the acquired immunodeficiency syndrome (AIDS), presented an unprecedented crisis in the history of Africa and, was a social and economic catastrophe. Every day, millions of Africans, in every strata of society, were infected with the HIV virus and every day, millions died. HIV/AIDS is perceived as a product of globalization and is considered not only as the greatest global health pandemic but also as the biggest “development challenge” of the twenty first century. These diseases do not discriminate, and they affect all strata of the population, hence, their impact far exceeds that of other communicable diseases combined because, there is no available cure or vaccine. It affected the most economically productive sector of the population and threatened development achievements in many countries of the world. These pandemics go on to wreak havoc to the already fragile economy by reducing the available labour force, putting a halt to economic activities thus stagnating GDP growth and development, discouraging investments due to economic instability etc.

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