The Politics of Globalisation in Africa: Averting Industrial failure in the New Millennium

ADEOLA, Gabriel Lanre(PHD)

Department of Social Sciences

Political Science and International Relations' Programme

Crawford University , Faith City, Igbesa, Ogun State.

ADEOLA, Adebowale Oluseye

P. O. Box 114, Ikeja, Lagos

Abstract

The process of globalization broadly conceived has a universalistic and pervasive economic influence, connecting and colonising the global space.Liberal economists emphasize essentially the positive aspects of this phenomenon – the liberalization of trade, mobility of labour and capital, an open door market, greater opportunities for development and technological advancement. While this is true in developed economies, in particular the OECDalbeit in Africa, probably with the exception of South Africa, the impact of globalization on the economies of these countries has not been favourable;this view has been echoed by the third world development economists who have been skeptical of globalization. They have argued that it has brought negative outcomes, especially in productive sectors.In some instances, certain sectors have been virtually wiped off throwing thousands out of job. The process has been compounded by smuggling, faking and other nefarious activities impinging on the economies of these countries.This paper views with seriousness the developmental challenges faced by Africathrough the instrumentality of globalisation. It vigorously challenged African policy makers and governments to respond to repositioning the continent's industrial sector to be competititive in a liberalised and globalised market.The paper posits further that for the Millennium Development Goals to be achieved, the industrial and productive sector must be made buoyant and competitive by massive investment. Also, the development of infrastructure such as renewable energy, transportation, capacity building in appropriate sectors and development of indigenous technologies must be embarked upon to enhance industrial growth and avert recurrent industrial failure in the region.

Keywords: Politics, African Economies, Third World Countries, Industrial Development, Industrial Failure, Globalisation, Millennium Development Goals

Introduction

The process of globalization with its unfolding scenario continues to portend hope and desperation. It is hope for countries that are benefiting greatly from its operation and desperation for countries that are experiencing its negative impact. The latter reality aptly describes the situation in Africa, which was brought about by its mechanism or its instruments such as Sructural Adjusment Programme (SAP), devaluation of currencies and liberalization. All these combined, coupled with fragile industrial base have led to economic downturn with particular reference to industrial and productive decline as well as the wholesale importation of SAP, have promoted de-industrialization, unemployment, closure of industries, deepened underdevelopment and poverty in Africa.

In the face of worsening economic situation and living condition of people various policies on the regional, sub-regional and on a continental base have been mooted. There was the Lagos Plan of Action, New Partnership for Development (NEPAD) and the Millennium Development Goals (MDGs).In Nigeria, the NEPAD has been repackaged for maximum impact to effectively break the vicious circle of underdevelopment and poverty. It is referred to as National Economic Empowerment Development Strategy (NEEDS). There is also the 7 points Agenda of the present government of Predident Jonathan Goodluck, all in an effort to reduce the economic and social problems of the people.

Despite these actions, the hard reality is that Africa cannot operate nor survive in isolation of the global economy as the politics of globalization is beyond the dictates of a sovereign state but directly and indirectly influenced by more powerful state and non-state actors of the world economy. As noted by Tandon (1998) the globalization encourages decreasing national control and increasing controls over the internal economy of the new states by outside players, the developed and economically fortified states of the world. In fact, globalisation is theoretically admitted to perpetually engineer the political, economic and even social integration of trade, investment, capital flows, technological and information development along the orientations of capitalist, liberal democratic ideology and philosophy.

Globalisation, has on positive note transformed the entire physionomy of world trade, creating increased competitiveness, making available substitute goods never imagined in world history, enhancing communication and promoting business transactions with the introduction of latest information technologies such as internet, electronic transfer and varieties of innovations making the world a real place to live. While these are the order in some parts of the world, it has more or less undermined the economic growth and even overall development in the Third World creating a polarised world society.

Globalisation as it is unfolding now instead of being an antidote to worsening economic situation, social malaise and general preatorian nature of governance in African countries in particular, it has exacerbated economic down turns with the domestic market flooded with foreign dumped goods of all sorts; the removal of trade barriers has greatly reduced or even in some cases simply nullified the share of local industries such as is typified in the textile and tyre industries in Nigeria. As a result, Nigeria is experiencing complete deindustrialisation in these two sectors which are important employers of labour. While some have gone out of operation such as Kewalram's Afprint textile industry, Bonjour textile, Arewa textile, Five Star textile, Zamfara textile, Aba textile, Finetex textile and Reliance textile. The few in operation are producing at low capacity level with a market share of less than 20 per cent, the remaining are either controlled by foreign companies or simply smuggled into the country. The fortune of tyre is even worse as the two companies in that sector Michelin and Dunlop after much struggling with lack of enabling environment, complete breakdown of power which is a critical infrastructure, coupled with the influx of uncontrollabe second hand tyres, the two companies have relocated to other countries in the subregion. The effect of the demise of these companies can not be over emphasised on the impact on job loss and the increased poverty of the families concerned; while the economy continue to suffer. From this perspective, this study is organised into four sections; section one poses the statement of problems, section two looks at the concept of globalisation and theoretical framework, section three delves into Nigerian economic growth and industrial sector performance while secion four rounds up with conclusions and recommendations.

Statement of Problems

The challenges of African development as the fulcrum of development process and repositioning her industrial sector to avert further closures and meet the aspiration of the MDGs in the age of globalization cannot be overemphasized. Theoretically and empirically, scholars, policy-makers and international institutions have argued that industry is the key to modern development. Their arguments points to the fact thatindustry is the measure of strength of a modern economy as well as the indicator of financial and military power in the world. Even oil and other scarce resources cannot induce the sustained and confident production of wealth as can industry. However, the advent of globalization has placed a great burden on African development effort and virtually thrown the economy in disarray which has been worsened by instruments of globalization such as SAP, privatization, market liberalization and so on.

Other challenges facing African economies include the winding up of infant industries by the threat of cheap smuggled goods which has caused the laying off of workers and the resultant unemployment with its attendant multiplier effects such as armed robbery, cyber crimes, the advanced fee fraud called 419, city slums and other social vices. Also noteworthy is the adverse effect caused by trade liberalisation such that the average African has developed preference for imported goods at the detriment of indigenous, local production and so, African countries have witnessed capital flight as profit derived from these goods are plowed back or repatriated to the host countries. In the process, instead of Africa benefitting, it is the Advanced Countries that retains the benefit to spur their economic growth and development. The gap between the developed north and the developing south continued to be widened. Rather than forstering economic integration that would benefit the developed north and the developing south, globalisation has brought domination and exploitation thus widening the inequality gap between the north and the south.

Globalisation has resulted into continued brain drain for the developing south and the migration of skilled workers for greener pastures abroad thus depleting these countries of skilled manpower. The situation is made worse by the developed north luring the south professionals through lotteries as epitomised by the United States popular Green Card lottery among other countries of the north in search of skilled labour. Africa is particularly a victim and a prey to globalisation having lost on both ends; on the one hand, the industries that are not competitive on the global market and the brain drain on the other hand.

The result is a continent ravaged by poverty, unemployment, industrial failure and underdevelopment. But, industrialization is important to economic development, welfare and the progress of Africa. In fact, successful industrialization has been and remained the most powerful engine of structural change and modernization in all the developed countries all over the world.
As a result of the negative impact of globalization on the political economy of Africa, the government initiated the NEPAD after the Lagos Plan of Action in the 80s. Concurrently, the MDGs were floated, also to address the backwardness of Africa. The various governments of Africa devised other working policies in realization of the continental blue print. In Nigeria, there is the NEEDS represented as a 7 point agenda by the present administration to place Nigeria as one of the 20 biggest economies in the world in 2020. We shall see for instance, how far the NEEDS have worked in the case of Nigeria. In the meantime, we shall examine the conceptual clarifications as well as the theoretical framework underpinning this study. Before then let'sgloss through the objectives of study

Objectives of Study

The purpose of this study is to equip decision makers and institutions at the controlling height of government with the necessary information and knowledge of the nature, causation and the impact of globalisation on Africa's economic growth and development with particular reference to the industrial sector. And thereby proffer solutions that can be undertaken with the hope that on the long run, there would be a positive shift in the international system such that would transform Africa from dependent state to a global partner that can compete favourably in the international system. The focus of attention is however Nigeria

Conceptual Clarification

The central theme of this paper is globalization,how thendo we conceive globalization? Globalization is the integration of the world economies through trade, financial flows exchange of technology and information and themovement of people on a free basis across the world. It is the interdependence of national cultures, politics, environmental and security concerns. It implies integration where firms are interdependent and where production is linked on a global scale. Globalization embodies the values of efficiency, supremacy of the market forces and de- emphasize on welfare services by the government. It demands that participatory nations play an economically rational game through the abandonment of protective policies and the deregulation of industries and finances (Vassiliev 1999, Alo and Akinsanya 2005). it is aimed at uniformity of political and socio-economic theory across the world with a systematic breakdown of trade barriers and the furthering integration of world market

Globalization is guided by rules for participating countries, which has been packaged by its drivers – the multilateral institution; the World Bank, IMF and the World Trade Organization supported by the diverse multinational organizations representing the industrialized countries of the world. For the latter to be able to function unrestricted and globally, every country that subscribes to the mechanism of globalization must open its economy to competition, privatization, budgetary austerity, good governance, democratization, polarization of the local currency and financial deregulation (Alo and Akinsanya 2005)

Globalization no doubt has aided growth and development of world economy through polarization and pauperized humanity and endangered the world environment (Ihuah: 2005). As a result, the impact of globalization affects regions and peoples of the world differently. On the one hand, OECD countries enjoy as the increase in the space of flows, interconnections, the spread of technology and trade, which are heavily concentrated in this region. On the other hand, it is also conditioned by the political economy and inequalities inherent in international and domestic level (Hurriel and Wood: 1995).

Specifically, the continent of Africa is virtually marginalized, impoverished where the industrial sector is weakened by stiff competition from abroad. This situation has exacerbated the rank of the unemployed with the attendant social consequences such as smuggling, armed robbery and armed conflicts. Globalization in the present circumstances is a serious threat to the socio-economic and political development of Africa.

Theoretical discourse

Globalisation which represents the thinking and philosophy of the west in the 17th and 18th century was wrapped up in the theory of liberalism. Their idea about trade was a world where there would be individual freedom to buy, sell and trade without any restrictions whatsoever including governmental interventions. In other words, a completely free world of liberty and choice. This phase in trade development was captured by the French phrase, *laissez faire*which was strongly defended by some economist writers of that period such as Adam Smith, David Ricardo, Thomas Malthus among others. Adam Smith on his own vigorously defended this thesis in one of his notable books entitled: *An Inquiry into the Cause and Nature of Wealth of Nation* published in 1776 where he stated that individuals while pursuing their self interest in the economy would on the longrun be beneficial to the interest of all through the self regulatory mechanism of the *invisible hand*. It is from this theory that neoliberalism was developed. Neoliberalism was more profound in its articulation, insisting on total removal of all trade barriers such as tariffs, laws and legislations and paving way for free movement of goods between and across international borders. And so, the main focus of neoliberalism can be summarised into liberalised market, deregulation, reduction in public expenditure and privatisation which are the tennets of globalisation. In articulating the process of globalization therefore, three theories stand out; these are modernization theory, Marxist-Leninist theory of imperialism and World systems theory. The dependency and underdevelopment theory, a derivative of the Marxist-Leninist theorywhich came as a critique of modernization and dualist thesis is particularly appropriate for this work. inspired by the work of Baran P. (1957) and Frank G. (1969). The theory shows that the appropriation and utilization of economic surplus of the peripheral countries by the industrial capitalist countries is the cause of development and underdevelopment. The link to globalization is manifested through the relations of production and international division of labour between the capitalist countries and periphery in which the latter supply raw materials for the developed countries and the former specializes in manufactured goods and monopoly of the system. According to Frank G. (1969), development and underdevelopment are opposite sides of the same coin, which makes underdevelopment and dependency a theory of globalization.

World system theories which constitute the third theory to explain globalization was propounded as a critique of modernization by Wallerstein (1974). He stated that it is impossible to analyze national societies without understanding their relations with transnational and trans-societal networks of exchanges which he referred to as world systems. Modern world system is represented by one world system, the capitalist world economy which originated from North West Europe since about sixteen century and today encompases the entire globe which in word of Frank. (1969) had expanded to such an extent that no area of the world is not in one way or the other incorporated into this capitalist system. Globalization is thus a modern phenomenon in the expansion of capitalism.

A Review of Developmental Policies

A brief review of developmental policies in Africa will show that the continent has always made efforts while the result has not always been rewarding.

The New Partnership for African Development

This is a new continental dimension of economic development in relationship with the world community. It was adopted by African leaders as the pathway to Africa's development in the new millennium. Uncomfortable with the past development outcomes in the continents, African leaders insist on African ownership of development process, a new partnership with developed countries and multilateral organizations and renewed commitment to regional economic cooperation (Aremu, 2005).

However, prior to NEPAD in 2000, about five development initiatives were discernible. These were:

- The Lagos Plan of action for the Economic Development of Africa, 1980-2000 and the Final Act of Lagos, 1980;
- Africa's Priority Programme for Economic Recovery (APPER), 1986-1990;
- The African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation (AAF-SAP) 1989;
- The African Charter for Popular Participation for Development, 1990; and
- The compact for African Recovery, 2000

And so, NEPAD was a merger of two development initiatives known as Millennium Partnership for the African Recovery Programme (MAP) and the Plan Omega. They were merged into New African Initiative (NAI). This was presented at Lusaka Summit to other African leaders. However, the implementation committee of Heads of State, which met in Abuja on October 23rd 2001, renamed it NEPAD (Adeyemi-Suenu, 2003).

The NEPAD document contains the African strategy for achieving sustainable development in 21st Century. The chapter five articulates the conditions, which includes peace, security, democracy and political governance initiative as well as the economic and corporate governance initiative as well as the economic and corporate governance initiative. The sectoral priorities are infrastructure, human resources development, agriculture, environment, culture, science and technology while mobilizing resources such as capital flows and market access. Each of the themes itemized above has a programme of action discussed in detail in the document. African leader collectively and individually pledge to promote these principles in their countries, sub-regions and the continent. (Adeniji, 2003). In Nigeria, the programme of NEPAD is translated in the goals and objectives of NEEDS. Theses include the democratic, economic and corporate governance, infrastructure and information technology, human and resource development, agriculture and market access. (Oche, 2004).

The New Economic Empowerment Development Strategy

The New Economic Empowerment Development Strategy (NEEDS) was designed as an economic package to change the orientation, value system and perception of the society. A society that will be free from excessive dependence on rent from oil and on government patronage to one that is diversified, competitive, private sector-led and has a market orientation (Oche, 2004). In particular, the NEEDS recognize the importance of industry in reviving the prostate economy. It states that the development of the industrial sector should be based on reliance on local resources and less dependence on imports. The policy specifically points out "Nigeria should stop squandering its natural resources by selling them as crude products. The more these products can be processed within Nigeria, the more jobs they will create and the more earning they will generate" (NEEDS and NPC, 2004).

The essence, the policy is designed to fight unemployment, pervasive poverty and de-industrialization of the economy. It lays emphasis on six sectors that can address the indentified lapses. These sectors are agriculture, manufacturing (small and medium scale enterprises); the service sector (arts, culture, tourism, information and communication technology); solid minerals, oil and gas and human capital (Oche, 2004). To achieve the objectives, the policy aims to encourage and stimulate investments in the private sector through the reduction of government's control, participation, and development of infrastructure, privatization, and liberalization among others.

Millennium Development Goals (MDGs)

At the turn of the century, the issue of underdevelopment, poverty and illiteracy remain precarious in some countries of the world. Its menace forced some 189, world leaders including Nigeria, to meet at an historic occasion to sign a Millennium Declaration – the Millennium Development Goals designed to wipe out poverty, promote human dignity; achieve peace, democracy and environmental sustainability in the 21st Century (Aremu, 2005).

The declaration articulated 8 Millennium Development Goals that will transform the quality of human life and its development. Among them are to:

1. Eradicate extreme poverty and hunger by half in 15 years to the new century
2. Achieve universal primary education
3. Promote gender equality and empower women – eliminate gender inequality in primary and secondary education by 2005 and to all levels of education by 2015.
4. Reduce child mortality by two third between 1990 and 2015
5. Improve maternity health by reducing maternity mortality rate by two third between 1990 and 2015
6. Combat HIV/AIDS, malarial and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

These goals are said to be achievable according to the UNDP report, as some have argued that they are not in fact millennium but “minimum” development goals. The confidence was inspired by the apparent commitments of governments both developing and developed countries, the major international financial institutions, the World Bank, IMF, the regional development banks as well as the World Trade Centre. Taking Nigeria as an example, how has the policy fared especially in relation to manufacturing sector considered critical to employment generation, poverty reduction in an era of globalization?

The economic downturn in Nigeria in the 80s paved the way for the full integration of the country into the process of globalisation through the Structural Adjustment Programme. Globalization which can better be understood as structural adjustment present itself in the form of a deepened global integration where the emphasis is on global free market and competitiveness as:

a. Privatization of public enterprises and utilities
b. Deregulation of social services, i.e. the withdrawal or reduction of government support for education, healthcare, housing and agriculture
c. Devaluation of national currency
d. Trade liberalization
e. Debt payment and servicing (Alo and Faniran, 2005)

The economic restructuring programme was an important component of the globalization process introduced to Africa as presented by SAP. In Nigeria as in other African countries, the IMF package incluses cuts in public expenditures, the liberalization of fiscal and trade policies

The SAP inevitably changed the performance of the industrial sector as the sector tries to adjust to its mechanism such as the interest rate deregulation, markets liberalization, and inflation rate among others. A research survey carried out in 1990 by the Central Bank and the Nigerian Institute of Social and Economic Research (NISER) came out with revelation that capacity utilization in agro-industries (flour mills, cocoa processing, breweries and tobacco) which generally employs the largest number of human labour after textile was below 50 per cent of installed capacity. The consequence was tenuous productive investment, retrenchment, closure of factories; price hike and concomitant inflation giving rise to high cost of living, poverty among others.

A most devastating effect of SAP is recorded in the textile-manufacturing sector. In 1983 according to (UNIDO 2003, Aremu 2005), textile is the premier manufacturing industry, a resources based industry and employing more than one million people. It was in fact, the second largest in terms of volume of productivity in Sub-Saharan African after South African with a fixed investment of over 160 billion naira (US $ 14 billion) and great export potential.

Table 1, Page 16, reveals the performance of the manufacturing sector. Ofcourse, this is the sector that is critical to the expansion of the industrial base and hence, diversification and industrialisation of the economy but has remained unimpressive. Although it recorded an increase in its contribution to the GDP between 1970 and 1990 but has since plummeted to an all time low of 2. 57 percent in 2006. An indication of a weak sector which points to a non-progressing industrial base. But for any nation to industrialise, must develop its manufacturing potentials. unfortunately, the little success recorded was due to the import substitution policy which became import dependent. However, the introduction of the Structural Adjustment Programme (SAP) and the opening up of the economy to international market dealt a devastating blow on the manufacturing sector. The sector itself being import dependentbecame vulnerable to external schock and was largely uncompetitive. Thus, its contribution to the GDP has steadily dropped since 1980 to an all time low as 2. 57 percent in 2006. In comparaison to international experience, the sector has performed below standard. For instance, total manufactures in global merchandise exports was 78.1 percent in 1990; made up of 80.9 percent for industrial countries and 30 percent for developing countries (CBN/NEXIM in Ezirim, et al.2010). And in the last over 20 years, the picture is one of stagnancy which shows that Nigeria is not reaping any benefit from globalization.

The Nigerian textile industry was the largest employer of labour in the manufacturing sector. It accounted for about 25 per cent of employment in the 1980. By late 80s, textile production dropped drastically due to SAP measures of currency devaluation and collapse of infrastructure, which increased the costs of production and made the industry uncompetitive.

Table 1 Nigeria's Structural Composition of Gross Domestic Product (GDP) (in percent)

Sector	1960/61	1970/71	1981	1990	2000	2002	2004	2005	2006
Agriculture	65.6	44.7	34.06	26.04	26.04	48.57	34.21	32.76	32.00
Crude	-	11.00	14.03	12.89	47.72	26.02	37.22	38.87	37.61
Manufacturing	3.9	7.5	9.89	8.15	3.68	3.43	3.07	2.83	2.57
Distribution	12.0	12.3	13.02	12.72	11.51	11.17	13.01	12.82	14.77
Others	17.1	24.5	28.32	27.18	11.05	10.81	12.49	12.72	13.05

Sources: FRN/FOS 1996: Socio-economic Profile of Nigeria; and NBS 2007: National Account of Nigeria (in Ezirim, et al. 2010)

In 1997, the number of employment in the sector had fallen from about 137,000 to about 66,000 in 2002, which showed a decline of over 50 percent in 5 years (Aremu, 2005).

The downward trend in the textile industry continued unabated. It is in fact, exacerbated by trade liberalization, smuggling and dumping. According to Federal Ministry of Industry (2002) studies indicate that the industry has suffered great misfortune perpetrated by the influx of imports largely illegal since the lifting of the ban on textile imports in 1997 and since the SAP the number of mills has reduced from 175 to 40 causing a dramatic drop in employment. The textile industry continues to face serious challenges as stakeholders cried out over the activities of smuggler. In a report published in the Businessday (24th August, 2008), the Nigerian Textile Manufacturing Association (NTMA) raised alarm over the persistent smuggling and faking of Made-in-Nigeria textile products, which has caused the collapse of more textile industries in the country. According to the Director General of the Association, Mr. Paul Olanrewaju *though there has been a general distress in the country's manufacturing sector, that of textile industry was more pronounced because it has always been a major player in the manufacturing sector of the economy. He then painted the picture of problems confronting the industry, saying that "smugglers now produce fake and counterfeited products of popular textile companies in the country. In order to beat customs check, most smugglers import Made-in-China textile materials with the inscription of a Nigerian brand name*.

In his reaction, the General Secretary of National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN), Mr. Issa Aremu said that since the assumption of office of President Umaru Yar'Adua, about 35,000 textile workers have lost their jobs as a result of the closure of about 30 factories in the country. Another sub-sector that was greatly affected was the cocoa industry which lost over 10,000 jobs as a result of importation of foreign foods and beverages forcing majority of these factories to be closed down. Table 2a, page 18 shows the impact of globalisation on the labour force. The various policies of the govenment induced by globalisation has continued to affect the labour market very negatively in a way so dramatic. When compared the rate with international standard as represented by ILO figures, the unemployment rate in Nigeria, be it rural or urban is increasing at a geometrical ratio. In 2003 compositewise, by ILO statistics, while it was 2.9 per cent, it was already 14. 8 per cent in Nigeria. At the sectoral level, when it was 3. 2 per cent by IlO standard, in the urban sector, it was 17. 1 per cent in Nigeria. And while it was 2. 7 per cent in the rural sector by ILO figures, it was 13. 8 per cent in Nigeria's rural sector. By 2006, while the rate increased marginally by ILO standard to 4.6 per cent in the urban area, it was 10 per cent in the ruban sector in Nigeria. While 2.9 per cent by ILO in the rural, it was as high as 15.1 per cent in the Nigeria's rural area. If we consider Table 2b, page 18, the unemployment rate has continued to increase steadily since 2008 when it was 14.9 per cent, peaking 23.9 per cent in 2011 according to National Bureau of Statistics.

Table 2a: 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

Sources: National Bureau of Statistics 2007

Table 2b: National Unemployment Rates Education 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

Sources: NBS, 2011

Other sectors that suffer severe setback under SAP are the medium and small scale industries. The small-scale industry has the absorptive capacity as a result of the capital base nor the organizational ability to deal with the sudden changes brought about by the regime of SAP. The resultant effect was the massive failure and dislocations of many small-scale industries of which the Manufacturing Association of Nigeria (MAN) remarked that about 20 percent of industries have closed down.

On the aggregate, the industrial sector recorded a drastic decline to as low as 12 percent in 1992. In the manufacturing sub-sector the growth rate decreased from 14.1 percent in 1989 to 2.6 percent in 1992 while in the oil and gas industry the growth rate fell from 8.1 percent in 1988 to -0.4 percent in 1992. As can be seen, the Nigerian industrial sector performed poorly in the SAP years, and the process has simply been compounded by the intensification and deepening incorporation of Nigerian economy into the global regime in which case, globalization was reflected as a wholesale SAP, and this is the general picture that pervades the continent of Africa. Other available figure since then according to NBS (2006), shows that manufacturing contributed insignificantly to export from Nigeria0.30 per cent in 2001, 2.10 in 2003, 4.20 in 2004 and 5.60 in 2005. The result signifies a small percentage share of the industries in international market which was also replicated in domestic market, a situation which made industries to perform poorly; technologically speaking and marketing wise forcing industrial growth rate to fall from 14. 48 in 2001 to -5.22in 2002,m to-8.28 in 2003, -25.01 in 2004 and 18.5 per cent in 2005 (NBS, 2006) quoted by Obilikwu (2007/2008)

As a result, the Structural Adjustment Programme is seen by many Third World scholars as an economic strategy designed by the industrial nations to subject the economies of developing nations to the dictate of the affluent developed countries. Globalization therefore is perceived as a new world order promoted by means of an identifiable geo-political strategy which correspond to a global design to cement the position of dominant countries and to increase the affluence and promote the interest of the privileged minority of the world population, relegating the rest to a structural and subordinate situation (South Center 1999).

This view goes to reinforce the fact we have stated above that globalization affects regions of the world differently, while some states are favorably positioned to benefit from the economics of globalization, others are not well disposed as a result of their weak economic bargaining power in the international arena. The latter applies to Africa in particular and with the statistics of industrial performance in Nigeria, there is an urgent need to address the trade relations between Africa and the developed countries to avert massive industrial collapse in the Millennium.

Globalisation has indeed made African continent to suffer and is still suffering from the problem of delayed development. The continent had been victim of exploitation at various times in its history whether in the form of slavery, colonization, neo-colonization, structural adjustment, international lending or the ongoing globalization. And so, globalization has done little to help Africa with a population of about 745 million in 1997 or 12.5 percent of the world population; the continent controlles1.5 percent of the world trade and possesses only 1.3 percent of the world income. According to theWorld Bank, *the erosion of Africa's world trade share in current prices between 1970 and 1993 represents a staggering annual income loss of US $6 billion or 21 percent of regional GDP* (World Bank 2000). Table 3. Page 21, Shows Nigeria External Trade and the degree of openness which shows that since 1995 the economy of the country has been steadily opened to the external penetration. This has continued to have negative effect on the manufacturing sector which cannot compete favourably with the imported manufactured goods. Manufacturerssee the poor energy production as the major problem that has in recent time affected the relocation of some important industries outside the country which has become profound since 2005. However, compared with Table 4, page 22 shows the complete weakness of the overall non-oil sector's contribution to export trade as very infinitesimal, making Nigeria incontestable a mono-cultured oil dependent economy and thus vulnerable to the vagaries of international schocks.

Consequent to this negative observation, Nigeria like other African countries, cannot afford to be simply a consuming nation especially with a growing population and increased unemployment, the continent must take manufacturing very serious because only by establishing manufacturing industries that unemployment can be squarely addressed and poverty eradicated. It is decidedly in reaction to the sordid state of Africa and to repackage failed regional policies such as the Lagos Plan of Action that the NEPAD and the MDGs were initiated.

TABLE 3:Nigeria External Trade, GDP and Measure of Openness

Year	Total trade in₦million	GDP 1984 constant factor cost	Measure of openness in %
1983	16,406.2	65,958.0	0.2
1984	16,266.3	62,474.2	0.3
1985	18,783.4	68,286.2	0.3
1986	14,9904.2	70,806.4	0.2
1987	48,222.3	71,194.9	0.7
1988	52,638.5	77,733.2	0.7
1989	88,831.4	83,179.0	1.1
1990	155,604.0	92,238.5	1.7
1991	218,795.8	94,235.3	2.3
1992	569,708.3	97,019.9	5.9
1993	425,535.6	99,604.2	4.3
1994	368,848.0	100,936.7	3.7
1995	1,705,789.1	103,078.6	16.5
1996	1,8972,170.0	106,600.6	17.6
1997	2,087,379.3	109,972.5	19.0
1998	1,589,275.4	113,509.0	14.0
1999	2,051,485.5	116,655.5	17.6
2000	2,930,745.7	121,207.8	24.2
2001	3,372,639.9	126,323.8	26.7
2002	3,339,759.6	131,489.8	25.4
2003	4,431,557.8	136,460.0	32.5
2004	4,7892,154.3	145,380.0	32.9
2005	8,806,671.6	166,340.0	52.9

Measureof openness → $\frac{\text{Total Trade}}{\text{GDP}}$

Sources: Federal Office of Statistics (FOS) and Central Bank of Nigeria Statistical Bulletin, 2003

***Table 4*:<u>Nigeria's Total External Trade</u>**

Sector	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006
Oil	34.2	59.5	72.4	72.9	65.2	64.6	64.5	72.1	75.2	70.5
Non-Oil	65.8	40.5	27.6	27.1	34.8	35.8	35.5	27.9	24.8	29.5

Source: CBN Statistical Bulletin, (2006b)

Specifically, the MDGs in its document stated unequivocally to free fellow Africans, men, women and children from the abject and dehumanizing conditions of extreme poverty to which millions of them are currently subjected. The goals itemized under MDGs above were said to be achievable as poor countries pledge to improve policies and governance and increase accountability to their own citizen while wealthy countries pledge to provide the resources. Additionally, major international financial institutions – the World Bank, IMF, the regional development banks and the World Trade Organisation also pledge their readiness to support the initiative (World Bank, UNIDO: 2008).

<u>Conclusions</u>

Generally. It is very clear that globalisation as it unfolds presently is not favourable to Nigeria's rapid industrialistion while the African Millennium Development Goals designed to change the industrial facade of Africa has more or less been turned to another economic jamboree or a mere sloganeering.The emerging facts about globalisation should challenge African policymakers and governments to address those developmental issues that are pertinent to Africa and ensure that the industrial productive sector as an important engine of development be revived and repositioned. For instance, two major constraints have emerged in the implementation of NEPAD, which has invariably hindered the achievement of the MDGs. These are capacity inadequacy and capital shortage which every country has to confront headlong.

The example of Nigerian textile industry shows the problem being confronted by the sector, which is caused by globalization asresult of smuggling and dumping. These nefarious cross border activities have compounded the weakness of the industrial sector to face international competition. In this respect, the state would have to intervene and make policies to combat the menace. And infac, states as sovereign entity have the power to cushion the effect of any economic polices domestically or imposed by the multilateral institutions. It is in view to stem the tide of plant closures menacing the textile industry and other manufacturing sub-sectors that the government should take a quick stand on the demands of textile industry which among others form part of this recommendations

Recommendations

a. Address urgently and pragmatically the energy problem
b. Take immediate steps to arrest the skyrocketing, unending rise in the price of diesel as most industries are generator driven
c. Consolidate its policy on the ban of textile material to the country, which should last for more than 10 years backed by an Act of parliament.
d. Quicken action on the implementation of the 70-billion naira revival fund for textile industry.
e. Encourage mergers and acquisitions within the sector to allow for new management and asset based competitive performance (Aremu, 2005)
f. Urgently speed up social and physical infrastructure of the economy such as transportation system, roads and social security to lessen the agony of the unemployed
g. Enforce a ban on second hand clothing, used tyres and other articles that have turned Nigerian into a dumping ground
h. Appeal to industrial operators to encourage skill acquisition, capacity building and training among the workforce and management of textile (and other manufacturing sectors) to promote improved productivity and face up to the challenge of competition (Aremu, 2005).
i. Promote entrepreneurial skills among the youths at all levels of our educational system; to be built into the university curricular so as to develop the culture of entrepreneurship in the citizens.
j. Set up the mechanism to fully assist the small and medium scale industries so as to turn the country into industrially propelled economy.
k. Generalize the education of computer and information technology among the citizenry so as to make them relevant in their respective callings, profession, trade or employment and be competitive in the globalized world.

Finally, in the present world order of globalization and for Africa to avert continued industrial failure and plant closures, any policy whatsoever to be embarked upon must be such that can withstand the test of time. And to round up with the view of World Commission on Environment and Development (WCED, 1987) stated that *sustainable development should be tailored to meet the needs and aspiration of the present without compromising the future. It is the process in which the exploitation of the resources, the direction of investments, orientation of technological development and institutional changes are all in harmony and enhance both current and future potential to meet human needs and aspirations.*

These essential ingredients call for good governance, visionary leadership, accountability, transparency backed by objective administrative cadre and policy markers that can effect policy changes necessary from time to time to be in tune with the globalization process.

References

Adegbola T,(2005)Globalization: Colonizing the Space Flows.*The National Scholar*, June

Adeniji A. (2003)Globalization, NEPAD and African Political Economy. *LASU Social Sciences Journal Vol. 5. No. 1.*

Adeola, G. L. (2010) Cross Border Migration between Nigeria and her Neighbours: The Political and Security Implications. *Being a Paper presented at the XVII International Sociological Association, World Congress of Sociology held in Gothenburg, Sweden. 11th – 17th July*

Adeyemi-Suenu, A (2003). For African Development, the limit of NEPAD. LASU Social Sciences Journal. Vol. 5. No. 1

Akinsanya A. O. and Faniran, F. A. (2005) *African Development and the Dilemma of Globalization.* African Perspectives on Globalization and Sustainable Development. Published by Fac. of Soc. Sciences, LASU

Aremu Issa (2005) *End of (Textile) Industry*. Published by Frederic Ebert Stiftung, Lagos

Baran P. (1957)The Political Economy of Growth. New York, *Monthly Review Press*

Businessday**,** Friday 24th August, 2008

Central Bank of Nigeria (CBN) (2006a). Annual Report and Statement of Account

Central Bank of Nigeria (CBN) (2006b). Statistical Bulletin

Central Bank of Nigeria (CBN) (2003a). Annual Report and Statement of Account

Central Bank of Nigeria (CBN) (2003b). Statistical Bulletin

Ezirim, A. C., Okeke, C. T. And Ebiriga, O. T. (2010). Achieving Vision 2020 in Nigeria: A Review of the Economic and Market-Oriented Business Reforms. Journal of Sustainable Development in Africa. Vol. 12, No. 4

Federal Republic of Nigeria (FRN). (1996). Socio-Economic Profile of Nigeia. Abuja: Federal Office of Statistics.

Frank, A. G. (1969). Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil. New York: *Monthly Review Press*

Hurriel, A and Woods, N (1995). Globalisation and Irregularity. Millennium. Vol. 24 No. 3

Ihuah, A. S. (2006). Scientific Technology and Globalisation: Rethinking the African Condition in the 21st Century and Beyond. LASU Journal of Humanities.Vol. 4. No. 1

Modelski G,(1974)*Principles of World Politics*, New York Free Press.

National Bureau of Statistics(NBS) (2007). National Account Statistics

National Bureau of Statistics(NBS) (2006). Nigerian Statistical Facts Sheet on Economic and Social Development

NISER (2001) Globalization and African Development. *NISER Occasional Paper No. 2. 2001*

Obadan, M. I., (2007) Globalization of Finance and the Challenge of National Financial Sector Development.*The Journal of Banking and Finance (JBIF), Vol. 7, No. 1.*

Oche, O. (2004)The New Economic Empowerment and Development Strategy (NEEDS) Challenges and Leeway in Nigeria. In Akinterinwa, B. A. (ed) Nigeria's New Foreign policy Thrust: Essays in honour of Ambassador Oluyemi Adeniji. Vantage Publishers

Oladipupo, S. H., (2005)Globalization, Social Responsibility and Sustainable Development. The Nigerian Experience.In *African Perspective on Globalization and Sustainable Development. Edited. By Fac of Social Sciences, LASU.*

Olukoshi, A et al (ed.) (1994) *Structural Adjustment Programme in West Africa,* Ibadan: *Vantage Publishers.*

Omoweh, D. A.,(2000). Dynamics of Globalization: Impact on Nigeria and Africa.*In Selected Reading on Nigeria's Foreign Policy and International Relations. Ed. by R. A. Akindele and Bassey E. Ate. NIIA Vol. 1, No. 1.*

PAC, (2005) Foreign Policy in Nigeria's Democratic Transition. *A publication of the Presidential Advisory Council on International Relations.*

Stiglitz, J. (2002). Globalisation and its Contents. Penguin Books, London

Tendon, Y. (1999). Globalization and Africa's Options. *In Human Development Report, Washington, DC: World Bank.*

The 12th Biennial Congress of Africa Association of Political Scientist (AAPS) seminar held at Dakar Senegal, June 23rd – 25th 1999 "Towards an Economic platform for the South" published by the South Centre, Switzerland.

Vassiliev, A (199). Africa: a Stepchild of Globalisation (Report at 8th Conference of Africanist Moscow, 28 – 30 September

Wallerstein, I. (1974). The Modern World System. Capitalist Agriculture and the origin of the European World Economy in the Sixteenth Century. London : *Academic Press*

Wallerstein, I. (1984). The Politics of World Economy. Cambridge*: Cambridge University Press. Cambridge Polity Press, UK.*

WCED (1987). World Commission on Environment and Development publication, New York

Weiss, L. (1998). The Myth of the Powerless State Governing the Economy in a Global Era, Cambridge University.

World Bank, (2001). Nigeria Privatization Support. *Project Appraisal Document African region. Private Sector Unit. Washington DC.*