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# GLOBALIZATION AND NIGERIAN ECONOMY BEYOND OVERSCHOOLING

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## **Abstract**

Towards the middle of 20th century and now globalisation has become a buzz word within the international system. Globalisation of economies has also been one of the most discussed issues apart from food and environmental insecurity, flood, earthquake, international terrorism, Africa underdevelopment etc. Globalisation anchors on sustainable economy. Sustainable economy functions on healthy human capacity building. Healthy human capacity building is a product of skill acquired in a formal and non-formal setting. But, it is believed that skill acquired in a formal school system is the propeller for achieving a virile economy through a combination of good health and tangible education. Since globalization of economies is give and take, to what extent has our school system been able to prepare Nigerians to fit into the demands of the global need so as to benefit from it. The paper is of the opinion that Nigeria stands to lose because our education is purely euro-centric, hence has not been able to prepare Nigerians to the challenges of the modern world. The paper argues that the only way out for Nigeria is to implement a policy of education that would tilt young men and women to acquire vocational and technical skills. Education for skill acquisition is the sure bet for technological breakthrough. Emphasis should be on Universities of Science and Technology, Polytechnics and Entrepreneurial studies. The paper uses historical analysis as its methodology.

## **Introduction**

For many years now, the issue of globalisation and the economies of nations have been variously discussed in a number of fora the world over.

Globalisation of economies is seen as the engine growth for development of economies especially the developing ones. However, globalisation of economies is anchored on the

economy. But it should be added that globalisation functions well depending on the nature and structure of the economy. Economy on the other hand is propelled by the human capacity which invariably is the product of schooling. Schooling on the other hand is the institutional arrangement through training and skill acquisition for the development of the system. Many scholars such as Odozi, (1998; Mohammed, 1998) have posit that globalisation is beneficial to both rich and poor countries because it has to do with exchange relations since no country can afford to produce all that she needs. On the other hand some scholars such as Stiglitz (2002), Amin (1993) also argued that globalisation of economies only benefit the developed or rich countries because they produce and export to the less developed countries – they possess the appropriate technology of this age that changes things for their benefits in the areas of ICT resource. Indeed, globalisation functions through opulent economy, which is a product of articulate human capacity. Human capacity building for a revolving economy is the sum value placed on the kind of education the society offers to her population. The utilisation of the knowledge and value acquired in the school determine the integration of the country in the globalisation process. In addition, informal sector of the economy driven by the articulation of skill in a particular vocation can as well be a driving force to the globalisation of economies. After all many inventors of this age such as Michael Faraday

and his electricity invention was not an invention of a formal school setting. Against this background that this work revolves.

### **Methodology**

Globalisation and Nigerian Economy beyond schooling described here are based on available literature. Data for this work are compiled from published and unpublished literature, oral interviews and observations. The work uses historical analysis as its methodology.

### **Conceptualizing Globalisation**

Globalisation is a very controversial concept. Because of its divergent definitions depending on people and economies, different people explain the term differently. Globalisation is the term used to describe the growing world interdependence of people and countries. However, Stiglitz (2002) posits that globalisation is the rapid integration of trade relations, productive and emergency decisions across the globe by economic agents who employ and move investment capital and technology to take advantage of environments where their competitive edge can manifest in high returns. This process has reduced the world to a 'global village'. Stiglitz further put globalisation in another perspective; that it is the closer integration of the countries and peoples of the world which have been brought about by the enormous reduction of costs of transportation and communication, and the breaking

down of artificial barriers to the flows of goods, services, capital, knowledge, and (to a lesser extent) people across borders.

Another exponent added that globalisation is powerfully driven by international corporations, which move not only capital and goods across borders but also technology. His globalisation 'lenses' spans and adds that the phenomena has also led to renewed attention to long-established international intergovernmental institutions: the United Nations Organisation, which attempts to maintain peace; the International Labour Organization (ILO), which promotes its agenda round the world, for decent work; and the World Health Organisation (WHO), which has been primarily concerned with improving health conditions in the developing world (Abdulrahman, 2004). Abdulrahman (2004) asserts that globalisation is merely recolonisation by another name. Just as the ending the cold war has brought death and destruction to many people, globalisation he argues, may do exactly the same and maybe more. He added that globalisation is not confined to the economic and cultural field alone. That dismantling of borders will result and is resulting in the powerful dominating of the weak.

Globalisation is the process of building an increasingly integrated economic world, a world without economic border, without nation-states in which the economic interests of individuals and nation-states are protected by their capacity to

contribute to this new world order. Odozi (1998; Udoidem, 1999; Nyong, 1999) see globalisation and Nigeria's participation as lopsided. According to them there exist inequality in terms of exchange relations, technological development, information and communication, power and energy. That, the policies of government are sometimes very genuine but fail to articulate the essence in which they are meant because of poor implementation. Our society is prone to instability and corruption. Nigeria and indeed, many developing economies are poor and lack basic infrastructures such as good roads, harbours, and even the purchasing power.

Globalisation is the capitalist concept of economic imperialism that had been existing even before the age of industrial revolution. That it is a concept of world domination by the advantage of Western Europe that gave birth to capitalist polarization. The rise of world capitalist polarization has its won history. The analysis indicate that its beginning was laid on the fact of industry. Economic polarization is expressed through this dichotomy. In this connection, industrialization became the pipe of development of developed economies whose history was taken to mean a march towards underdevelopment of the periphery. Thus the direct relation with this contrast focus on unequal exchange. However, unequal exchange involve exchange of products whose efforts for which the remuneration is more unequal than

the difference of productivity suggests (Gilpin, 1989; Amin, 1993).

### **Conceptualizing Economy**

The term economy is often used by many people but difficult to define let alone how it works. Lipsey (1983) sees economy as any specified collection of interrelated set of market and non-markets products. Meaning that it involves all economic activities taking place in a given geographical region, state or nation-states. Economy involves those salient components/compositions which affect or determine its behaviour and performance. Or the complex organizational framework, outline of logical connectiveness through which the activities of an economy are coordinated (Anyanwu, 1997). Economy is the collection of both tangible and intangible quantifiable products to a common pool, struggle by the same contributors to enjoy a certain standard of life that is self sustaining. The viable economy therefore functions according to skill-whether at the formal or informal levels. The informal sector of the economy is the nucleus of any nation economy. Economy therefore is a system of production in which goods and services are exchanged.

### **Conceptualizing Schooling**

Schooling means many things to many people. However, schooling is conceptualized to mean the education one receives at a formal school structure. In another context it is seen as skill one acquires whether in a

formal school setting or an informal one. What is important is the acquisition of skill useful to himself and the society (Taylor, 2011). Many people see education and schooling as the same thing. This is not so. It is certainly true that education and school frequently overlap to a significant degree, but dangerous to limit ones view to education to the content of curriculum or that presented in the classroom. There are many things successful people need to learn over the course of their lives, and not all of them are taught in structural curriculum. As ones base of knowledge increases it will become true that self education eventually meets and surpasses structural education in its impact on ones life. For entrepreneurial endeavours, traditional regiment of structured education through school does not cover many of the key skills that are needed to realize success. Hence, schooling is not seen as being about just academics, nor is intellectual growth limited to verbal and mathematical proficiencies. Schooling is largely the result of outdated policy changes that have calcified into conventions (Taylor, 2011).

### **Globalisation and Nigerian Economy**

Nigerian economy is a function of both the informal and formal sectors. Nigeria is a mono-cultural export nation at last since 1970. She exports only crude oil and her budgets and execution depends on the oil price in the international market. If there is

a short fall in the international oil market it negatively affects the budgets implementation, hence the nation plunge itself and suffocates. The problem is hydra in nature because Nigeria as a nation has no other commodity to exchange at the international market. That readily explains the reasons for a floating Nigerian currency against the strong currencies from developed economies such as dollars from the USA, Yen for Japan, pound from Britain and German Mark from Germany. These countries are not mono-cultural export nations. Globalisation of economies is give and take. It involves the opening of borders for free flow of goods, services and even to a large extent labour. Besides, globalisation also offers international capital flows, a widespread diffusion of technology.

Nigeria is a new nation compared with the Western economies. And globalisation only understands the language of integration once the nation signed the World Trade Organisation (WTO) agreement. Nigeria so signed it since 1993-she is bound to open her border for exchange of goods and services. In this connection Knor (2000) put forward that globalisation especially the activities of the Trans-national companies (TNCS) leads to decapitalization and denationalization-where the foreign share of the nation's wealth stock increases relative to the local share. That deindustrialization is a serious challenge to trade liberalization. Today Nigeria's industries are gradually closed down,

while TNCS companies are building up theirs through distribution of goods and services.

From the above discussion, what has Nigeria got to exchange in the big capitalist market? The reason for the paucity in relation to exports is as a result of low technological development. Every year the nation turns out thousands of graduates from the Universities, polytechnics and allied institutions. Majority of these graduates even from technological institution still look up to government – white collar jobs. These graduates lack skill needed in today's technological firmament. Because Nigeria lacks skill, she cannot produce hence cannot export, except the primary products. Even at that, she cannot still export the primary products. Before 1970 Nigeria used to export cocoa, palm oil and kernel, cotton, rubber etc. but today it is history. Because Nigeria cannot produce, she in turn opened market for all sorts of goods ranging from brand-new to fairly used products; some are sub-standard-electronics, cars, shoes, clothes. Indeed, Nigerian market is saturated with European and Asian goods of all sorts except left-over food from the white man's table.

### **Population**

Believing that schooling is the training and or production of manpower to propel the economy for the benefit of individuals and the nation as a whole. Then the question that may be asked is, how productive is the population? It is agreed that a

productive population is that population that is either privately engaged at the optimum for the production of goods and services to allow one live well or at least above \$1 acceptable by international system. Or a productive population is that population that earns a living wage from government or private organisation which when translated live above \$1 a day.

Currently, Nigeria has population of about 150 million as projected by the National Population Commission. The governor of Central Bank of Nigeria Mallam Sanusi Lamido Sanusi, argued that about 70 percent of this figure live below the poverty line-translated to mean that 105 million are in this position; and only 45 million live above \$1 a day. These poor Nigerians cut across youths, women and elderly men. It is estimated that 12 million out of the 150 million Nigerians are unemployed, youth and women form the chunk of this figure and majority of them lack access to credit facility. To further analyse - 49.9 percent of youth within the age of 15 and 24 years residing in the urban areas have no jobs while 39.6 percent of their counterparts in rural areas are also not employed. The number of unemployed women in the urban areas stands at 22 percent and those in the rural areas stand at 24 percent (Yusuf, 2011). From the above it is discovered that the youths who normally make up the productive sector of the economy are unemployed, therefore the purchasing power too is in comatose. It is an indication of malfunctioning of

an economy especially the growing ones such as ours. According to Dr. Umar Bindir, the Director-General of the National Office for Technological Acquisition and Promotion (NOTAP), while speaking at the Third yearly National Programme Management Conference on Technology Acquisition and promotion opined that crisis of poverty in the country is due to lack of effective leadership. Umar added that with the statistics Nigeria has no business to belong to the league of becoming even one of the top 40 developing economies in the world (Yusuf, 2011). In general poverty hinders purchasing power; and where purchasing power is low it tends to stiffen the economy.

#### **Globalisation – Give and take**

There are two strong sectors that are nuclei to any economy. These are manufacturing and agricultural sectors. The manufacturing sector is on the decline. Its contribution to the Gross Domestic Product, GDP, of the country has dropped. For instance Manufacturing Association of Nigeria at the 2010 annual report put forward that, Nigerian manufacturing sector only contributed 4.1 percent to the 2010 GDP against 4.21 in 2009. The decline also showcased in the capacity utilisation of industries in the country. The report further added that, an average manufacturing capacity utilisation dropped from 47 percent in 2009 to 45 percent in 2010. Production output dropped from N183.8 billion in 2009 to N165.7 billion in 2010.

In the corresponding period, investment dropped from N1 trillion in 2009 to N360 billion in 2010. Employment figures dropped from 998,086 in January – June 2009 to 996,395 in January – June 2010. This comparison showed that unhealthy state of manufacturing in the country. However, it should also be understood that manufacturing sector exports very insignificant percentage mainly to the West African sub-region (Ochai, 2011).

The low performance of the manufacturing sector is attributed to harsh economic environment – poor state of infrastructure in the country, insecurity challenges and perceived threat to political and economic stability, smuggling and unbridled importation and dumping of cheap and substandard goods which to a large extent suffocate the local manufacturing sector, multiple taxation which is inimical to the growth and survival of business in the country, weak demand as a result of low purchasing power (Ochai, 2011). All these are working against the globalisation of economies.

### **Agriculture Sector**

Nigeria was and is till an agricultural society. At independence she was self-sufficient in food with agriculture contributing 70 percent to Gross Domestic Product, (GDP) and over 80 percent to exports. By 1970, the oil boom era came a lot of contradictions and fundamental changes in the Nigerian economy. Such contradictions stemmed from the country's economy being heavily

dependent on crude oil and agriculture abandoned. Nigeria therefore began to import not only food but raw materials such as palm oil from Malaysia, rice and wheat from the United States and Thailand among others. Today food prices have gone beyond the reach of many Nigerians. The situation is worsen now because of the current global food crisis. Statistics shows that about 65 percent of Nigerians are food insecure. This is because a substantial number of the Nigeria people earn below the one dollar benchmark stipulated in the hunger index of the Food and Agricultural Organization, (FAO). The point to stress here is that any nation that depends on importation of food to feed her population hardly develop. She is either a heavily debted nation or a nation on the cross-road of development. The fund she would have been ploughing into other sectors for development are eaten up on food imports – what then is the future of such a state? (Akpan, 2008; Okereke, 2010; Ajaero, 2010).

### **Health**

For now Nigeria's population is unhealthy. Because the population is not healthy, that explains the reasons for low productivity which in turn has a surmountable effect on the growth of the Nigerian economy and by extension globalisation of economies. There are two main killer diseases that are disturbing the population-Malaria and HIV/AIDS. Malaria weakens individuals and makes many to waste man hours by keeping them in beds



thus reducing productivity. It is estimated that about 4 million Nigerians are living with HIV/AIDS. And about 5.8 percent are adults and of productive ages meaning that both HIV/AIDS and Malaria are threats to business (Akpan, 2008). Reports on health indices from international agencies indicate that Nigeria is still far from achieving the minimum required health standard. A recent World Health Organisation (WHO) report also shows that Nigeria has one of the highest maternal mortality ratio in the World and the highest in Africa. WHO's estimates for Nigeria are 1,100 per 100,000 live births. The statistics from the World body also estimated that 53,000 women die annually in Nigeria of pregnancy related illness (Uffot, 2010). All this is an indication of the poor state of health in Nigeria. Nigeria is ranked 111 out of 146 countries with poor health care facilities. This has impacted much on the productivity and by extension the economy. When the economy is healthy it has the impact on the world.

### **Security**

Business is conducted better in a security free environment. Globalisation machineries function well in a secured environment. However, no country in the world is crime free no matter the zealousness of the security operatives. Nigeria is one of the most insecure environments in the world today. Between 1999 and 2010 Niger Delta of Nigeria was and is still boiling as a result of the activities of the militant youths who pressed for

resource control of their God given resources – crude oil. This problem led to kidnapping of both oil workers and well-to-do men in the society for ransome. In the process many lost their lives. There is also the issue of armed robbery, political thuggery, serial killings etc. Of recent there is the issue of Boko Haram sect that have been inflicting and killing innocent people in certain parts of Northern Nigeria. There is also of series of communal crises – in Jos, Northern Nigeria among others. Many developed countries do not have confidence in Nigeria and would not be interested in investing in an environment that is not secured. For instance;

Two years after the return of democracy to Nigeria, Americans are still worried about involvement of Nigerians in the drug trade, communal violence and the persistent call for a sovereign national conference (Crystal June 2001:14).

The Americans like other developed nations willing to do business in Nigeria are worried about the high propensity of communal violence, high spate of armed robbery, kidnapping, political thuggery etc. The contention is that any time there are communal clashes, religious riots, in Nigeria investors get scared because of the huge capital investment. Another problematic area is the persistent call for a Sovereign National Conference, indicating that Nigeria is not stable and may break up taking a cue from

Kosovo, Yugoslavia, Czechoslovakia (Akpan, 2005).

In August 2008, it was reported that individuals in the informal sector of the economy and some companies could no longer stay afloat, and so are forced out of business. In this connection, some companies were relocated to neighbouring African countries. Some of these companies include Peterson Zochonis, PZ, Dunlop and Michelin Plc, Cadbury Nigeria Plc. Some companies too are on their way out (Akpan, 2011).

### **Energy**

Energy is one of the most important entities which allow society to function. Its availability is a prerequisite for the production of goods and their consumption ... Electricity could be said to be the unsung 'hero' among services that help to make our daily lives a bit easier. A comparative statistics on electricity will reveal that cannot live without it in today's world. A substantial decrease in electricity provision shortens working hours which in turn decreases business profits that eventually leads to an increase in unemployment. Energy problem in Nigeria has been and is still in a comatose state in spite of the huge capital sunk into it. Energy problem has been a bane to Nigeria's economic development and by extension influences the globalisation process. Phone calls, driving of engines etc cannot function without energy-electricity in Nigeria. It is one of the indices for development (Akpan, 2011). In Nigeria

today many cities and towns across the country do not enjoy electricity for up to four hours a day. Some rural areas have not known how electricity looks like or appears. The country currently generates about 4,000 megawatts in spite of huge capital invested in. Reports indicate that Nigeria imports three times as many generators than other major importers like Sudan and Egypt (Akaeze, 2010). This condition tends to slow down the economy in all perspectives, and contributes to high inflation because of the use of private power (mainly from generating sets) by industries, and artisans. This phenomenon is anti-globalisation.

### **The Way Forward**

Over the years, educational quantity has been mistaken for educational quality by seeing the latter in quantitative and statistical terms. Educational progress and quality have been measured by the number of lawyers, doctors, teachers, nurses and technicians without strict reference to their productive quality or creativity. This is why Nigeria cannot integrate herself in this fast changing technological world (Umoh, 2006).

Functional education for this age could be achieved through science education-it will help bring about a new society with improved agriculture, abundant food and better health. Food produce locally would minimise or abolish importation of food thus diverting the fund for other areas such as infrastructure. What is the requirement and where would the

emphasis go? Today, skill acquisition in the school is emphasised, hence the educational policies should be such that the potentiality of children are recognized and tailored as such – more polytechnics, Universities of Science and Technology. Above all entrepreneurial education should take precedent over others. Most invention used in the contemporary world now were not from formal school setting, hence skill should be recognized and encouraged by governments, private individuals and organisations.

Indeed, the heart-beat of globalisation lies on availability and sustained power generation from any source-biomass, wind, water, coal etc. Mails, industries, education, other forms of information anchors on energy.

Globalisation has made very significant gains in direct economic investments across the world. This economic liberalization has propelled many economies in Africa, Asia and Latin America to become giants in the new market. It has improved the standard of living of people in these countries to a certain extent. But, sadly, Nigeria is not there.

Globalisation remains very unpopular and widens the gap between developed and less developed nations, and consequently burdened the already poverty situation. There is a big gap or inequality between the rich and the poor and punctuates the movement of capital. Besides, developing economies are training manpower for the developed ones. For instance, Nigeria

in her state of poverty have trained medical and para-medical staff and people in other professions only to be attracted by the developed economies. In 2006 UK Home Office gave work permits to 4,615 nurses and 650 doctors from Africa. In this connection, there are over 21,000 Nigerian medical doctors in the US alone. Other professions are even more than the medical line (Jeremahanda, 2008). The International Labour Organisation allows for these movements, but often are detrimental to the development of poor economies such as Nigeria.

### **Conclusion**

In conclusion, the Nigerian economy by all standards is underdeveloped and highly dependent on the developed economies and international institutions. The globalisation process is only beneficial to the advanced economies. Nigeria has no products to exchange at the international level except the primary products. The prices of these primary products are pegged by the buyers-the advanced capitalist societies. The few professionals that would have assisted to propel our economy have been migrating to Europe, America and Asia because of better environmental factors such as good wages, security of lives and property, adequate motivation and psychological balance among others. What Nigeria needs is an industrial policy partly planted in the school curriculum from secondary to tertiary levels-emphasis on industrialization for self-reliant. In this connection, our economy would be

built through our local content raw materials and that would minimise dependency until fully industrialized. That, perhaps, would be the beginning of our march towards globalisation thus decreases our economic suffocation and dependency. Inventors outside formal setting be adopted by the Federal Government, given adequate environment to excel, after all most of the inventions of this age came from informal school system.

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