

Globalization, Governance and Poverty in a Developing Economy: The Case of Nigeria

Kolawole Shittu Adebisi¹ Samuel Adedayo Muyiwa²

1General studies department, the polytechnic, ibadan, oyo state, nigeria.

2General studies department, the polytechnic, ibadan, oyo state, nigeria.

Abstract: *Globalization is the process of international integration that results from the interexchange of world views having its effects on virtually all aspects of human life including governance and economy. This paper examines the issue of globalization and governance in Nigeria and explicates how the issue of governance is impacting on poverty. Specifically Nigerian government cannot provide its citizenry with the common good of government; governance is not only at its lowest ebb in Nigeria, and this has resulted into promotion of mediocrity, ethnicity, god fatherism, violence and ultimately poverty. Relevant data were obtained through secondary method and empirically discussed. The study observes that because politicians were rigged into power by their god fathers and external bourgeoisies, those whom they have to pay back with the state resources hence the provisions of common goods for populace is always abandoned and thus results into negligence of the responsibility of governance. The paper concludes that globalization can help to solve or worsen the effects of poor governance on poverty in Nigerian provided global collective action complements and reinforces country-based efforts on poverty reduction*

Keywords: *Globalisation, Governance, Poverty, Development.*

I. Introduction

Globalization is a phenomenon of worldwide interdependence occasioned by technological improvement and increase in communication. According to Aina (1996), globalization connotes a presence, the process of ‘making global’, ‘being present worldwide’, at the world stage’ or global arena’. An issue, object, value, institution, or practice is globalize if it is visible or considered relevant in global centers either through commerce, production, consumption, politics and information technology. Thus, globalization entails universalization whereby the object, practices or even values transcends geo-political boundaries, penetrating the hitherto sovereign nation-state and impacting the orientation and value system of the people. It is from this vantage that we could speak of globalization of such issue as human rights, sustainable development, environment, rule of law, democracy and good governance, gender, poverty eradication, food and nutrition.

Globalization is being offered as the answer to improving the economies of poor countries. No doubt, globalization has played various positive roles in the lives of nations as well as individuals. Increased access to information through cable and information super highways has created new global network that have disseminated national boundaries and barriers. This has resulted in a greater integration of the world economy. While many western governments have benefited tremendously from globalization, most developing countries are yet to reap the full benefits of this process in their various areas of life such as governance, economy, poverty eradication and health. For them, globalization often increase inequalities and reduces their (developing) nations’ ability to achieve national or local food and nutrition security. Such concerns and anxiety among groups are often not virtual but real. For example, according to the 1999 UNDP Human Development Report, more than 80 countries still have per capital incomes lower than they had a decade or more ago and 55 countries (including Nigeria) have had declining per capital incomes. It is on this premises that this paper tends to examine the influence of globalization and governance on the rate of poverty in Nigeria considered as the fastest growing economy in Africa.

II. Globalization, Governance And Poverty: A Structural Linkage

Poverty, like the concept of underdevelopment or development is not easily amenable to a straightforward definition. Poverty, simply put, is the inability to control events. According to Marshall (1998:516) poverty is define as “a state in which resources, usually material but sometimes cultural, are lacking” and could be delineated into two broad categories of “absolute and relative” terms. Poverty, defined in the absolute terms refers to a state in which the individual lacks the resources necessary for subsistence while the relative definition refers to the individual’s or group’s lack of resources when compared with that of other members of the society. Poverty is not a new phenomenon in human society. In fact, it is as old as human existence. Why are developing countries victim of global poverty? The inequality between developing and

developed countries as evident in the high level of poverty in the former and concentration of wealth in the latter as being variously explained.

World system theory is the best theory that was propounded to explain the inequality existing between the developed and less developed countries of the world. As expounded by Immanuel Wallerstein (1974, 1979), the world system theory states that the capitalist economic expansion has depicted the global community as a system consisting of the core, the semi-periphery, the periphery, and the periphery of the periphery (i.e. the external arena). The core countries were those that took the lead in developing modern economic enterprise while the semi-periphery is made up of those who were linked with them in dependent trading relationship notwithstanding their fairly stagnant economy (Giddens, 1996:51). The periphery countries, on the other hand, were those who were integrated in the capitalist economy as sole supplier of raw materials to the core while the external arena or periphery of the periphery were those outside the commercial links established by the core. African countries constituted the bulk of the external arena until colonialism and subsequently multi-national corporations got them integrated as the periphery. Today the bulk of third world countries are among the peripheral actors in the world economic system while many have been relegated to the periphery of the periphery. More than the other theories, the world system theory clearly depicts the problem of poverty among third world countries as a consequence of globalization. Having been pre-maturely integrated into the world capitalist economy, the third world countries will continue to serve the developed nations with their cheap raw materials which are later returned to them as manufactured goods at a much higher rate.

The foregoing discussion on theoretical explanations offered by scholars is a clear indication of casual relationship between globalization and poverty among third world countries. However, there are more glaring evidences in the literature to suggest a structural relationship between globalization and poverty (see, Giddens, 1990; UNDP, 2000; Kpakol, 2005; World Bank 2000). Through the process of globalization, individuals, groups and human societies have become increasingly interdependent. This interdependence burgeoned as a result of the phenomenal technological advancement of the last two decades leading to improve communication; the virtual disappearance of the Cold War; the weakening of trade barriers; the integration of the world's foremost financial markets, etc. The sum effect of this is significant increase in capital accumulation and wealth of nations and individuals. But the globalization process is not all rosy. The new and massive opportunities occasioned by globalization introduced a novel dimension to good and bad.

One fundamental dreadful aspect of globalization is the continuous increase level of poverty among developing countries that are supposedly co-actors in the global theatre. As commentators would say, we now have only one world made up of many destinies- the richer and the poorer. In most quarters, globalization is viewed primarily from the perspective of its assumed 'enormous benefits' and capacity for creating more of such benefits in future. For instance, the United Nations Human Development Report of 1999 applauded globalization as a phenomenon that "offers enormous potential to eradicate poverty in the 21st century" (UNDP, 2000). The reality of today does not lend support to this claim. What obtains is rather a situation of deepening squalor in the midst of global wealth. The enormous wealth generated by globalization is not fairly distributed. The gains are lopsided and skewed in favour of the developed industrial societies to the detriment of the less developed third world countries. In fact in the context of globalization, the rich-countries, individuals or groups get richer while the poor-countries, groups or individuals within the society get poorer.

Global poverty involves both material and cultural impoverishment. From its material connotation, poverty entails not being able to possess the things- material things- people around you have. Material poverty – whether at individual or national level- is better understood in comparative terms, with regard to meeting of basic necessities of existence. Thus, we find some people eat more nutritious meals, wear better clothing, have better shelter, etc, while the reverse is the case in others whose level of income are below the poverty line. Human Development Index (2009) observes that poverty in less developed countries may connote "... having no home, sleeping in the streets, getting wet when it rains-going for days with no food-having no access to medical care-someday dying of sickness and malnutrition". Cultural impoverishment is yet another form of poverty inflicted on societies through the influence of globalization. In Nigeria, western culture and values have so much infiltrated our society such that some of our rich cultural heritage has given way so alien ones. Precipitating this cultural impoverishment is the giant technological height attained by the modern world in the area of communication. Examples are the proliferation of televisions and western movies as well as the internet, all of which influence the lifestyles and the way people (especially those from developing countries) think. Oftentimes, immoral behaviours and attitudes were imbibed while the normative values become meaningless. Preference for foreign fabrics and designers wears by Nigerians is on the increase as these goods continue to flood the Nigerian markets without hindrance. Many manufacturers of local fabrics have run out of business as a result of this. From whatever angle one views it; African countries are victims of both material and cultural poverty.

The nature and severity of the global poverty we experience today, coupled with its implications for sustainable development among developing countries of Africa gives a serious concern and calls for cautions in

the global processes of the 21st century. The globalization gains are not equitable; neither is the inequality arising from it equitable. The developed countries are the sole reapers of the gains while the developing countries suffer the scourge of poverty accruing from the globalization process. Africa is still under the tutelage of the developed countries of the west- the G-8 that are still sucking the continent dry through various overt and covert manipulations of economic and political reform strategies. African leaders are yet to provide good governance necessary for effective and meaningful participation in the globalization process. More significance should be attached to this issue than it is done presently. The importance of good governance in this regard cannot be overemphasized. The concept of good governance, though not yet precisely defined, encompasses general values and basic freedoms that include accountability, competence, the reign of the rule of law, and absence of human rights abuse.

According to the UNDP (2000), governance is “the legitimate exercise of political, economic, and administrative authority to manage national affairs”. A related definition is provided by the World Bank (2000), stating that governance consists of “the manner in which power is exercised in the management of a country’s economic and social resources for development. Governance is all encompassing and as Gettu (2001) observes, it often consists of a complex arrays of processes, organizations and institution that act as channels for citizens to exercise their legal rights, attempt to resolve their differences, fulfill their obligations to the society, and express their concern and interests. Practitioners and scholars of development have provided empirical evidence to show the harmful effect of lack of good governance on the issue of poverty (see, UNDP, 2000; Bhatt, 1999; World Bank, 2000). Good governance is an indispensable imperative for the management of a country’s resources. Good governance is still a far cry in Africa. Corruption, lack of accountability, lack of transparency, etc has been a torn in the flesh of African Political development. In the absence of good governance, no nations can effectively face the challenges of globalization and design and implement sustainable development policies.

III. The Nigeria Socio-Economic And Political Challenges In The Era Of Globalization

Nigerian as a developing country is seriously challenged by poverty. Out of every 10 Nigerians 7 lives on less than \$1 a day and the picture is getting bad by the day (Amobi, 2008). On account of poverty in Nigeria, poor parents begat poor children, thereby creating a kind of dynasty of the poor. Life expectancy is a mere 47.7 year (Chukwuemeka, 2008). Infant mortality is 77 per 1,000 and maternal mortality stands at 704 per 100,000 live births, which is about the highest in the world. Only about half the population of Nigeria had access to safe drinking water (40% in rural areas, 60% in urban areas). Unemployment and underemployment rate is put at 15% of the labour force (Amobi, 2008). It is frightening that Nigeria with such a dismal outlook as presented above, may not qualify immensely to embrace the imperatives of the Millennium Development Goals (MDGs) which one of its main thrust and number one objective is poverty eradication (chukwuemeka, 2009). Nigeria is a country with rich human and natural resources, yet most of her citizens live in penury, squalor and abject poverty thus an examination of the socio-economic and political situations in Nigeria is prevalent of stunning contradiction and picture of a paradox (Okafor, 2014).

One of the greatest challenges facing Nigeria is poverty. In Nigeria, poverty is not an act of providence but the result of elite misrule. The causes of problems facing Nigeria today are the monolithic nature of Nigerian economy in the era of globalization and leadership bereft of ideas and vision of nation building. Abundant oil resources have become a sore point in the national psyche and successive leaders have squandered the resources on some white elephant projects with their half-hearted efforts at diversification of the economy which never succeed (Okafor, 2014). There is no gain saying that effort made by the successive regimes and administrations in Nigeria to stamp out poverty failed due to poor implementation and incompatibility of policy goals. For instance, Eze (2007) contends that the government of Olusegun Obasanjo adopted the policy of poverty eradication and promotion of socio-economic development and at the same time pursued a policy of retrenchment of thousands of workers from the federal bureaucracy including the armed forces. This goes to show that some of the poverty oriented programmes of government like Operation Feed the Nation, National Directorate of Employment (NDE), National Poverty Eradication Programme (NPEP), National Economic Empowerment and Development Strategic (NEEDS) etc have failed to solve the problem of poverty in Nigeria because of “incompatibility of goals” (Chukwuemeka, 2009). The net effects is the alienation of the people and their relegation to abject poverty (Elaigwu, 2013)

By contrast, some countries with less or equal endowment as Nigeria have taken their people out of poverty. With strong commitment to poverty reduction, China has maintained a high growth rate for more than three decades since the beginning of economic reforms in 1978, with sustained increase in average living standards by World Bank benchmark of people living on less than \$1.25 per day. Brazil’s progressive social policy of redistribution has helped it achieve more rapid poverty reduction. In Brazil, the proportion of the population in poverty is significantly lower than in China. Its poverty level fell from about 17 per cent to eight per cent over 1981-2005 with a fair annual rate of poverty reduction of 3.2 per cent. Venezuela’s unemployment dropped from 14.5 per cent of the total labour force in 1999 to 7.6 per cent in 2009. Poverty has also decreased.

In 1999, 23.4 per cent of the population was marked as being in extreme poverty, this fell to 8.5 per cent in 2011 (see Okafor, 2014).

Nigeria lacks viable political institution. The political leaders are supposed to enhance development; in Nigeria they have become inordinately selfish. Both the executive and legislative arms of government are shamelessly inefficient, corrupt and obscenely overpaid. In spite of the huge resources flowing into the national treasury, the current leaders have not shown that they can deliver on their promise to make the country work. Elections have been shambolic at best. This dysfunctional process ends up producing inept administrators, who look only after their own pockets. This in turn has made Nigeria's rich diversity in nationalities and cultures to promote disunity (Elaigwu, 2013). Nigeria's leadership on a balance sheet, shows macro indicators of growth in the Gross Domestic Product (GDP), which it claims on the average has grown between 2.7 – 7.10 per cent in the last one decade or so. This information is sold to impoverished Nigerians by all means of propaganda advertorial in ways that accentuate the irresponsibility of the ruling elite. The economy may be growing in GDP terms, but people are yet to be lifted out of poverty. Real development is one that is sustainable and in which there are infrastructural and industrial productivity as well as the improvement in the wellbeing of the people. The prevalent system in which over 70 per cent of the annual budget is expended on recurrent expenditure largely in the form of remuneration and perquisites for top political office holders, is not one in which the goals of development are ever achievable. Beyond the material poverty of the people is the poverty of ideas amongst Nigeria's leaders. Successive leadership has demonstrated incapacity to articulate any vision for the country's tomorrow. They have failed to come to terms with the universal truth of governance: that it is about the people. The consequence of their inaction and paralysis is the prevalent social problems confronting Nigeria today (see Okafor, 2014).

IV. Globalization, Governance And Empowerment

Good governance has emerged as one of the most important prerequisites for development. This is both because of the role of government as a builder and provider of institutions, and because the failure of governance can lead to an overall political breakdown. Once a country becomes a "failed state" (Yugoslavia, several African countries) development can be set back by decades. Weak governance has been an overriding characteristic of the poorest performance economies. Globalization has put a premium on good governance, because of the need to put in place policies and institutions demanded by an increasingly competitive global market place, because of pressures on governments to be transparent and more accountable to their citizens, and because of the higher costs of mismanagement (Elekwe, 2008).

Globalization has also raised new challenges for governance above the level of the nation-state. Technological gains, shifting geopolitics, expanding trade and financial flows and cheaper communications have created tremendous opportunities and lifted barriers to global knowledge and problem solving. They have also raised new risks and challenges- for example, financial instability, disease transmission and cross-border criminality. These challenges raised several questions for which there are no simple answers. How to adapt political and governance institutions to the new technological, financial and economic realities? How to secure the support and financing needed for collective action since many of these concerns are of a public good (or public "bad") nature? How should the global community deal with the problems of "failed states" and conflict resolution? How to deal with ranging misperceptions and concerns of legitimacy on issues related to globalization?

People everywhere want to be "empowered", and there is a heightened concern that global trends and forces affecting people and societies without there being channels or institutions through which people could participate in influencing or controlling these trends. This is a challenge for the international community. A huge education effort is needed so that there can be greater legitimacy and political backing for international collective actions. In this, there is an important role for global civil society, and post-seattle for a better dialogue and partnership between the official community and global civil society (World Bank, 2000).

V. Conclusion And Recommendations

Poverty in the midst of plenty is the central challenge in today's global economy and society. There are some striking contrasts that underlie this challenge at the turn of the millennium:

- While, for the first time in history, developing countries as a group have grown faster during the past decade than industrial countries- indeed almost twice as fast- and while some developing countries are becoming major players in the world economy, the least developed countries have seen large declines in living standards and are almost becoming invisible on the world scene.
- While the real income of the "average" person in developing countries has risen rapidly over the past ten years, the number of people in absolute poverty has not declined. Even countries that have benefited from globalization have large pockets of poor people, and in many countries, the divide between the rich and

poor is increasing. Of the 2.8 billion people living on less than \$2 per day, approximately 1.9 billion people reside in emerging markets. 1.7 billion or 59 percent of the world's poor, live in G20 countries.

Notwithstanding the positive impact of globalization on the growth and poverty, if the trends of the past decade are extrapolated forward, inequalities between and within many countries will likely and many of the international development goals set by the international community for poverty reduction will not be achieved.

With a legacy of poor policies and poor performance, too many of the least developed countries and, worldwide, too many poor people are being left behind, in trade, in finance, in technology, in precisely the things that could help them grow and reduce poverty. Poverty reduction efforts will be looked at from the policies at both country level and global level.

Policies at the **country level** remains key for poverty reduction even in an age of globalization. Assessment of development experience suggests several lessons for a more pro-poor development strategy at the country level:

- Attainment of sustained growth (in excess of 2 percent per capita income growth over a long period of time) is essential for poverty reduction.
- Macro stability, more open trade regime and vibrant private sector are core requirements to facilitate growth.
- Good governance and institutions have a crucial role in these processes. Government should provide or foster the institution which make markets work efficiently, thereby promoting entrepreneurship, competition and a positive investment climate. With weak institutions, poor governance and unsound policies, market reforms can go badly awry with great cost, particularly for the poor.
- Combating poverty involves much more than fostering sound market-oriented growth. The World Development Report 2000 highlights the importance of actions in three main areas:
 - First, to enhance the capabilities of the poor, particularly through the improved provision of education and health, which are fundamental to well-being and which promote participation in market opportunities.
 - Second, to facilitate empowerment by making institutions more responsive and accountable to the poor, by strengthening the participation and influence of the poor in political processes and by removing social barriers. A particularly important dimension relates to gender: the Policy Research Report Engendering Development (World Bank, 2000) provides compelling evidence that removing barriers faced by women can have a significant positive impact on growth performance.
 - Third, to understand better and reduce the vulnerability of the poor to ill-health, economic shocks, natural disasters, violence, and transitional costs arising from market reforms.

All of these policies must be designed in a way that takes account of financial constraints and local realities-with special attention to the impact on the poor and on transitional losses-and secures ownership of key stakeholders through participatory processes. The comprehensive development framework and the new Poverty Reduction Strategy Papers are built on these principles and can provide the basis both for concerted action at the country level, and for mobilizing effective support from the international community.

Poverty reduction also requires **global collective action** because it is a global public good. Societies everywhere gain from poverty reduction, especially in a globalizing world, not just because of the moral imperative, but because of the negative externalities associated with poverty-such as conflict and violence, the spread of communicable diseases, illegal immigration and pressures on the environment. Public goods carry free-rider problems that are better addressed through collective action, because individual countries may be unwilling or unable to expend as much resources as is desirable. This need for collective action through pooling of knowledge and financial resources is also the ultimate rationale for global public institutions.

The following are the most critical areas where global collective action is needed to complement and reinforce country-based efforts on poverty reduction:

- **Sustain steady global economic expansion, and reduce the likelihood of, and contain the effects of global volatility.** Poorer countries, and especially the least developed, remain dependent on the sustained growth of demand in both developed country and emerging market countries. Developing countries also remain more vulnerable to shocks in the global economy. There is a continued need therefore for careful international policy coordination, and for efforts to strengthen the international financial architecture so as to reduce volatility and manage financial crises better when they occur.
- **Mobilize adequate and more effective aids for poverty reduction.** A first priority is eliminating the debt overhang of the poorest heavily indebted countries through concerted support. But accelerated progress will also require more and better targeted financial support for poverty reduction in both low and middle income countries.
- **Remove barriers to trade and provide preferential access to the poorest countries.** Elimination of barriers by industrial countries and emerging markets in some key areas (agriculture, labour intensive manufactures and services) can bring large benefits to the poor in developing countries.

Developed countries import restrictions are especially harmful to the least developed countries, given that they are much dependent on those export markets.

- **Provide increased support for international public goods.** There are a number of critical areas of poverty reduction and the inclusion of the least developed countries in the benefits of globalization. These include: communicable diseases control, including tackling the HIV/AIDS pandemic as well as malaria, tuberculosis and childhood disease that together account for 60% of the global disease burden; protecting the global environment commons; information and knowledge sharing including establishing the infrastructure and software capabilities needed in the poorest countries; and agriculture research in semi-arid conditions with large benefits for poor farmers in many of the poorest countries.
- **Help prevent conflict, and support countries emerging from conflict.** Wars and civil conflict remain a major factor holding back several of the poorest countries, and threatening many others. Better conflict prevention and resolution mechanisms can have huge payoffs in reducing human suffering and deprivation in which the poor suffer the most. The assistance of developed countries is needed by Nigeria to curb the nefarious activities of Boko Haram which has rendered many citizens homeless and destitute in which the sole efforts of Nigerian government has proved inadequate

References

- [1]. Aina, T.A. (1996): "Globalization and Social Policy in Africa". CODESTRIA Bulletin No. 4.
- [2]. Amobi D.C (2008): The Human Capital and Millennium Development Goals I Nigeria. The possibilities and impossibilities, J. Policy Dev. Stud. 2(1): 15-16.
- [3]. Bhatt, E. (1999): "Notes on the politics of poverty reduction" in inclusion, Justice and Poverty Reduction. A Villa Borsig Workshop series, Berlin.
- [4]. Chukwuemeka E.O. (2008): The Substance of Public Administration in Nigeria: A Compendium of Public Policy and Local Government, Enugu: Computer Edge
- [5]. Chukwuemeka E.O. (2009): Poverty and The Millennium Development Goals in Nigeria: The nexus: Education and Research and Review vol. 4 (9).
- [6]. Elaigwe, J. I. (2013): Security and Peace: The Imperatives for National Development. Being the text of Seventh FRCN Annual October Lecture deliver in Abuja, Nigeria on 31 October, 2013
- [7]. Elekwa N.N. (2008): The place of Local Authorities in the Millennium Development Goals attainments: Some suggested strategies, J. Manage sci. 17(2): 56-57
- [8]. Eze G.O. (2007): The Politics of Poverty Eradication in Nigeria, J. Policy Dev. Stud. 2(3): 16-17
- [9]. Gettu, T. (2001): "Governance and Development in Africa", in Challenges and Prospects for Sustainable Human Development in Africa, UNDP, New York.
- [10]. Giddens, A. (1996): Introduction to Sociology, 2nd ed., New York, London, W.W Norton and Company.
- [11]. Kpakol M. (2005): "Major Challenges Facing Africa: Guardian Newspapers, April 4 pp. A2, A6.
- [12]. Marshall, G. ed (1994): The Concise Oxford Dictionary of Sociology, Oxford, New York: Oxford University press.
- [13]. Okafor, E. E. (2014): Revisiting the Utility of Industrial Sociology in National Development: The Case of Nigeria. Africa Research Review 8(2) Serial No. 33. Pp. 175-188.
- [14]. UNDP, (1996): Nigeria Human Development Report, Lagos.
- [15]. _____ (2000): Overcoming Poverty, Human Poverty Report, New York.
- [16]. Wallensein, I. (1974): World System Theory Africa Today, 2002.
- [17]. World Bank (2000): Poverty in an Age of globalization