



## THE IMPACT OF GLOBALIZATION ON NIGERIAN RURAL-AGRICULTURAL ECONOMY

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### **Abstract:**

Globalization in the pass decades has done significant impact on the agricultural as well as the economic sector of the third world nations particularly Nigeria. Nigeria is the most populous African Nation with the population of 198 million according to the National Population 2018. Considering its position in Africa occupying number one position in terms of economic growth and development, over 52.7 percent of the nation population is living in rural areas and produced 90 percent of the food consumed. It is pertinent that any policy that would be introduced must positively have impact on these majority rural dwellers. Globalization has both negative and positive impact, to some, the changes are beneficial while to others are harmful. It eased international trade and commerce, facilitated foreign investment and the flow of capital. It also led to the cultural diffusion and the spread of new ideas and values, therefore it creates a global village out of the larger world. Despite these positive changes so introduced it neglects the African Nations in the political sphere to the extent that they have less control of their economies and fiscal matters as a result of the imposition of the policies by the International Monetary Fund (IMF) World Bank and World Trade Organization (WTO) among which Structural Adjustment Program (SAP) have impacted the Nigerian rural economy which might be considered as the extension of neocolonialism. Illicit and drug trafficking of children and women, facilitate brain drain because of the free labour policy. The entire domestic agricultural sector is affected due to the importation of foreign mechanized and subsidized farm produced from the develop countries which make it difficult for them to compute in Nigerian market.

**Keywords:** globalization, economy, agriculture, poverty, rural area

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## 1. Introduction

The last decades saw rapid changes in the areas of Agriculture, trade and industry, science and technology which has significant impact on Nigerian rural and urban populace, this happened as a result of globalization. The world has become a small village where all these activities were carried out with the help of science and technology brought in by the developed countries in this era of globalization. According to Mellor, (2002) globalization refers to increases in the movement of finance, inputs, information, and Science across vast geographical areas. The benefits drives from globalization include the increase of net profit in many places; serve as poverty reduction measure and the improvement in the level of food production. It is also defines as the term used to describe the recent influence of modernization in communication and transport systems on trade and the growing interdependence of countries due to economic output. Michael, (2000) define it as *"the increasing inter connectedness of nations and people around the world through trade, investment, travel, popular culture and other forms of interaction"*. As a result of these changes the United Nations Report (2001: 9) claim that *"Countries embarrassing the policies of globalization would develop and the living standard of people would rise"*. But Ugwu and Akwuwa, (2009) assert that it is the phenomena that widen inequality between countries thereby create unemployment and worsen living standard of the citizens. Mulinge and Munyae, (2001) disagrees with the UN assertion; and argues that it is nothing other than the third face of colonization after neo-colonialism. These will lead to the following questions: what is the impact of globalization on Nigerian rural community? Does it improve the living standard and economy of the rural dweller as so claimed? This paper is going to discuss the meaning of globalization, background of the study, the impact of globalization on Nigeria both negative and positive. It is also going to highlight on the Nigerian rural economy and finally conclusion will be drawn.

## 2. Nigeria, the Study Area

Nigeria is the most populous country in Africa and according to the CIA World Fact Book (2014) is *"the seventh most populous country in the world. The country has the third-largest youth population in the world, after India and China, with more than 90 million of its population under age 18"*. According to National Population Commission (2018), Nigeria has 198 million populations, out of this number; 72.7 million which is equivalent to 52.7 percent are living in rural areas. Most of these rural populace produce and cultivate land at subsistence level, they cultivate less than one hectare of farmland per household most of which are arable crops which constitute a greater portion of the food Nigeria consumed (IFAD, 2009, cited in Etemike, and Efanodor, 2015). Nigeria traditional economy system is made of up five major components; human resources, agricultural activities, nonagricultural activities, primary production and natural resources (Onwuemele and Kkause, 2011). Among these economic system, Agricultural activities 'farming' is the predominant occupation of the rural populace which appears to be the

main source of income and the backbone of the Nigeria rural economy. It contributes 50 percent to the Nigeria's Gross Domestic Products (GDP) (Etemille and Efanodor, 2015). The level of transformation taking place as a result of the globalization of the sector in the traditional communities has significant impact on the lives of the rural populaces in both positive and negative ways. To some rural the changes are beneficial while to others are harmful.

Nigeria adopted globalization policy in 1986, when IMF and World Bank conditions were adopted which lead to the introduction of Structural Adjustment Program (SAP) (Ileso, 2000). Subsequent to the adoption and implementation and the policy its impact immediately manifested on the Nigeria's rural economy due to the deregulation of agro inputs such as fertilizer and improved seeds which appears to be the major commodities the rural dwellers relied on for their primary occupation (farming). It started with the removal of administrative price distortion and re-distribution of resources in favor of large scale and small holder agriculture at the detriment of local farmers. The withdrawal of subsidy especially on fertilizer happened as a result of government claim that *"the subsidy did not get to the farmers for whom they were meant for"* (Etemike and Efanodor, 2015). Trade and exchange policies were introduced while government involvement diminished, liberalization of agricultural input market, input subsidies was removed as the same time the liberalization of interstate was also introduced (Ileso, 2000).

### 3. Impact of Globalization

Globalization in Africa in general and Nigeria rural agricultural economy in particular has both negative and positive impacts. In a report published by the United Nations Conference on Trade and Development (2015) globalization policies is more beneficial to other continents than Africa it further stress that Europe, North America and East Asian states enjoyed greater and higher benefits than African States whose social, political and economic development were stagnated as a result of their romance with the globalization policies.

The entire Africa relevance in both economies as well as in human development to other world continents has drastically diminished to the extent that some countries hardly can provide basics of livelihood to the citizenry. The unfortunate situation Africa find itself in has become a calamity for the nation's, which lead to the political and social unrest and the rise of dictatorial leadership in almost all the African nations has incapacitated the countries to function effectively with globalization (Ibrahim, 2013). According to Nsehe (2017), Nigeria adopted globalization policy with hope of rapid transformation from mono-cultural economy that solely relied on oil revenue to the diversified economy investing on agriculture and rural development, social development, science and technology as well as the areas of trade and industry. Despite the abundance of natural resources at its disposal, *"53.5% of Nigerians were living in absolute poverty"* (World bank data 2009) and the UN Human Development index (2016) rank Nigeria at 152nd position, *"coupled with her high unemployment rate, vulnerable*

*economy, bad policies, unhealthy investment climate, high level of indebtedness and corruption, it is clear that Nigeria is one of the most disadvantaged countries engaged in globalization”* (Nsene, 2017, p.5).

### **3.1 The Positive Impact of Globalization**

According to Ibrahim, (2013) globalization has eased international trade and commerce, facilitated foreign investment and the flow of capital while calling for greater accountability and responsiveness of leaders to their people globalization has often pressed African leaders to adopt policies and measures that are diametrically opposed to the feeling and sentiments of vast majority of their people. Globalization aids cultural diffusion and infiltration of new ideas and values. Through globalization, developing countries have adopted western culture which some scholar called it westernization or modernization (Tezenlo, 2012, in Verter, 2015).

Information and communication technologies made information dissemination easier between individual, communities and countries thereby aiding social interaction and acquisition of new ideas easier. According to Bigman (2004), these dramatic change in the communication and information technology sector took place among the developed nation from 1960-1970s and have spread across the globe by 1980s, in the late 1990s Nigeria have also benefited from this technological transformation. The modernization of the telecommunication sector has had positive impact on Nigeria's development. In the year 2000, Nigeria made giant effort in the telecom industry by introducing of Global System for Mobile communication (GSM). In the following year, the country has auctioned its digital mobile line license in order to ensure the total liberalization of the telecom industry in the country. Globalization of this sector positively affects the banking industry by modernizing its financial services, ease and facilitates transaction through modern electronic services such as ATM; POS machines services, online banking, credit and debit card facilities etc. (Hofstede *et al*, 2010).

Globalization has made the wide and diverse world reduced in to a small village. According to Steve and John (1997), *“globalization facilitates the removal of barriers among nations of the world, thereby giving social relations unhindered access”*. Globalization aided the intermingling between the world nations which created the symbiotic relationship on economic, social, political as well as technological relationship between nations across the globe (Ayenagbo et al. 2012).

### **3.2 Negative Impact of Globalization**

The negative impact of globalization can be seen from the work of Tendon (1998) who revealed that the cold war which was emerge out of the process of globalization has had significant consequences for Africa. During its height in the 1960s and 1970s, the cold war witnessed the emergence of dictatorial leaderships in the form of military regimes. This is nothing other than for the two super powers who headed the two blocs America who headed the western bloc and the former Soviet Union USSR who headed the eastern bloc to keep African countries in their respective camps. This has in turn; substantially reduced African countries power in a nutshell the cold war and its demise

has worked against democracy and economic development of Africa. This politics have seriously affected Nigeria's development, this is because, for over 50 years nation's independence the country witnessed 29 years of military rule (Abegunrin, 2003).

Globalization has reduced and limited African sovereignty in the political sphere to the extent that they have no or less control on the economy or fiscal matters of their countries as a result of impositions of modern strategies and policies of development brought in by the International Monetary Fund (IMF) the World Bank and World Trade Organization (WTO) for instance, the introduction of Structural Adjustment Program (SAP) by IMF and Adopted by the Nigerian government (Elemike and Efanodor, 2015). This policy of liberalization of trade has tremendously benefited the developed countries and the East Asian nations because it helps them in increasing their trade with and their integration into the global market. The structural reform has improved the standard of living and assisted significant number of their people in alleviating their poverty. However, the opposite happened to Nigeria seems to negatively be affected by this change in global trading system especially on the rule that govern international trade. Since the introduction of the adjustment policy, the country faced massive retrenchment of workers in both public and private sectors, devaluation of her currency has terribly affected the local producers with lost due to the fall of the essential commodity prices in both global and local markets. These problems are largely assumed to be the triggering factor of political, economic, social and ethno-religious crises affecting the country for decades (Bigman, 2004).

Ayenagbo, et-al (2012) argues that globalization has created a wide margin between the industrialized nations and the developing countries like Nigeria this gap led to the increase in the economic marginalization of African economies and their dependence on few primary goods and for which demand and supply are externally determined. This in turn increases poverty band economic disparity as well as the ability of majority of Africans to take part meaningfully in the social and political life of their nations.

As a result of the cultural hegemony of the industrialized nations that goes with globalization, African countries are rapidly losing their cultural identity and therefore their ability to intermingle with other nations on an equal and autonomous basis, assimilating from other cultures only those aspect that meet its requirements and needs. These western cultures in form of artifacts 'material culture' and Manti facts 'nonmaterial' which have dominate our houses and markets inform of music, home drama and films as well as the dress wears have less to do with our cultures. These attitudes lead to the less patronage of our traditional products which help allot in making our craft men forfeited their sources of livelihood (Aderonke and Adejuwon, 2012).

Globalization has encouraged illicit trade in drugs child and women trafficking, prostitution, pornography, dumping of dangerous industrial waste and depletion on the environment by unscrupulous entrepreneurs (Ibrahim, 2013). Verter (2013) claims that globalization makes smuggling and spread of small arms and dangerous weapons for easy accessibility to criminals and terrorist organizations like Boko-Haram, Niger

Delta militants and kidnapers gangs which have instigated conflicts and crises which threaten peace and security of the country.

It has freed labor across boundaries and facilitated 'brain drain' in developing countries thus reducing further their human capacity. According to the Migration in Nigeria report (2014) Nigeria suffered with massive exodus of well train Doctors and Nurses to Europe and America. The report further revealed that over 90 percent of the Nigerian train Doctors migrated to United Kingdom and United States of America and over 5000 nurses and midwives also migrated to these countries.

Nwokah and Adiele (2015) claims that globalization has negative impact on Agriculture in Nigeria, it is believed that most of the developing nation depend on agriculture, unfortunately the high subsidized agricultural produce from the developed nations greatly hampered the domestic manufacturing industries. Additionally it appears that the cost of the agricultural inputs is much higher than the actual return they recover from the sales of their production. At the same time developing countries are flooded with cheap and highly subsidized imports most of which are from the developed nations and their subsistence economy is slowly been affected.

#### **4. Conclusion**

This essay has discussed that globalization the Nigeria tradition or rural economy has been transformed through globalization process. The policy such as trade liberalization, deregulation, privatization and commercialization of the rural economy which has been adopted by the IMF WTO and World Bank has contributed toward the present state of the nation's economy. The policies so introduced have advantages and disadvantages. The merits of globalization on Nigeria include among other things; economic advancement from mono-cultural to diversified system, modernization of Agriculture from small scale to mechanize farming and supply of agro-inputs to farmers. Others include improvement of science and technology, which led to the introduction of digitalized telecommunication service, online financial monitory and banking policy. The essay has also discussed the demerits of globalization some of which include; loss of countries power on economic matters and the introduction of the Structural Adjustment Program by IMF and World Bank which comes out with policies of currency devaluation, retrenchment of workers, privatization and commercialization policies. The essay has also stresses on how globalization aided illicit and drug trafficking which created insecurity through the spread of dangerous weapons and small arms. The paper has answered the questions asked on the concept of globalization. The issue of weather globalization has negative and positive impacts has been address. However, the paper suggest the need for further research and academic debates on how to address the negative impact for the Nigeria and Other African Nations to be integrated and enjoy a greater benefit of globalization. This is because from the available literatures and studies conducted of the policy it seems globalization has come to stay.

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