



The Effects of Globalization on the Nigerian Economy and Human Rights of Citizens

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ABSTRACT

The effects of the implementation of globalization policies in Nigeria have proved the country's involvement in modern globalization. Nigeria became member of the International Monetary Fund, World Bank and the World Trade Organization to improve its productive base, diversify its economy and tackle the challenge of underdevelopment. The implementation of their policies in Nigeria determines economic activities in the country, also the WB and IMF play serious advisory role in its financial management. The contributions made by these bodies in the development of Nigeria economy cannot be overemphasized, however, the negative effects of the implementation of their reform policies has exposed the economy of Nigeria to serious economic hazard, insecurity and underdevelopment. In conclusion, we recommend the diversification of the Nigerian economy and industrialization of the oil sector, collapsed government owed industries should be rebuilt, government should stop all form borrowing from the world donors and need to control the unbridled influx of Multinational Corporations into the economy of Nigeria to protect local industries. These will enhance sustainable economic development in Nigeria and better the life of the citizens.

Keywords: Globalization, Economy, Human Rights, Citizen

INTRODUCTION

The imposition of trade on Nigeria as a British colony by developed countries has great impact on the economy of Nigeria; it has been under great external influence to obligatorily ensure no or low tariffs by treaties targeted to reduce its sovereignty in trade matter and giving extraterritorial power to foreigners on the irony of global integration to foster economic growth. This puts in doubt the possibility of Nigeria to achieve development or transform into vibrant economy for economic growth in the face of these challenges and the implicit backing of these developed countries by International Monetary Fund and World Bank.

Nigeria's Economy before the Introduction of SAP

Soon after Nigerian independence, Nigeria was a known agricultural economy; this was because agriculture was the major means of economic growth of the overall economy. During this period Nigeria ranked second in the production of cocoa, first in the export of palm kernel and palm oil. Nigeria also ranked high in the exportation of other major farm produce such as cotton, groundnut, rubber and hides and skins. About 60 percent of the country's Gross Domestic Products, 70 percent of the nation's export and about 95 percent of the country's food supply were from local agricultural products in the 1960s despite the fact that local tools and native farming methods were employed by Nigerian peasant farmers.¹ Subsequent upon the oil boom, Nigeria shifted attention to the export of oil product in an unrefined form; this led to little or no attention to the agricultural sector and the latter decay of that sector in Nigeria. This neglect was as a result of inappropriate exchange rate policy which affected the prices of agricultural export, the prices of agricultural produce became too low to give farmers the incentive to produce.²

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¹Bigben Chukwuma Ogbonna, 'Structural Adjustment Program (SAPs) in Nigeria: An Empirical Assessment' <<https://www.researchgate/publication/307878719-Structural-Adjustment-Program-SAP-in-Nigeria-An-Assessment>> accessed 25 March, 2020

² *Ibid*

Nigeria's Economy During and After the Introduction of SAP

Structural Adjustment Programme is one of the reform policies adopted by the IMF and WB in the developing states to ensure the external control of the economies. It is a neoliberal economic reform policy initiated by these Britton Wood Institutions to restructure the economy of country borrowing from them; it is a condition precedent for financial aid by the institutions to any nation borrowing from them. Becoming member of IMF and acceptance of its adjustment policies on loan, liberalization of trade and shift towards export and privatization of public sector are conditions precedent to join World Bank. The implementation of SAP policy in Nigeria negatively affected the nation's economy on its inception contrary to its original purpose of restructuring the economy and diversifying its productive base, reduce dependency on oil and improve efficiency through privatization of public sectors.

SAP was introduced in Nigeria in July 1986 by then Military President of Nigeria-Ibrahim Badamasi Babangida to help his administration access foreign loan from IMF and World Bank, Prior to this time, one dollar exchanged for 77 kobo, but after the introduction of SAP, later in the same year dollar exchanged for 1.76 Naira, subsequently in 1987, 1988, 1991, 1993, 1998, 2008 dollar was exchange for 4.16 Naira, 5.35 Naira, 9.93 Naira, 22 Naira, 21.88 Naira and 132.56 Naira respectively; today dollar exchanges for about 380 Naira as against 400-500 Naira in 2016 and 2017 respectively.³ These examples evidenced the obvious trade imbalance as a result of high demand for and supply of foreign goods. This is a clear indication of increasing economic stress which a country suffers when it is subjected to mandatory devaluation programmes as it was the case in Nigeria during this period.

The introduction of SAP in Nigeria generated nationwide debate among scholars and policy makers organized by the then Military President to sample the opinion of Nigerians on the adoption or rejection of SAPs.⁴ It remains an obvious fact that the implementation of the said policies by the administration worsened the political and economic development problem of the country it was employed to address. Some scholars especially the World Bank study group and academics from West have argued that failure of SAPs in Nigeria resulted from bad leadership, bribery and corruption while African scholars have criticized inefficiency of SAPs for Nigeria's economic woe.⁵

To further expand on the economic, security and political epidemic of Nigeria from the inception of SAP necessitated this brief explanation. In 1970s Nigeria had over 15,000 public enterprises and these generated over 65% employment, but the adoption of SAPs policy "between" 1986 to 1999 led to privatization of most public sectors, and most of these privatized sectors were acquired by foreign investors. Most local industries reduced workforce due to deregulation and devaluation of Naira, these compounded the problem of unemployment; for instance, the United African Company (UAC) compressed from 23,850 workers in 1985 to 9000 workers in 1988 and income per capita collapse from USD 778 to USD 108 in 1989. This among other things led to galloping inflation, underdevelopment, political instability and proliferation of ethnic militia movement in Nigeria. The denied, displaced and unemployed group formed a proletariat, aggregate their power to challenge the state since the state has lost its capacity of providing for its citizenry.⁶

Upon the collapsed of the productive and manufacturing activities, the capitalist class relied on the government for contract and politicians saw politics as do or die affair, this led to excessive spending by the military government, then the need for borrowing more and the Nigeria external debt increased.⁷

³ Ogbnna, (n1)

⁴ Abah Danladi and Peter Wilfred Naakiel, 'Structural Adjustment Programme in Nigeria and its Implication on Socio Economic Development 1980-1995' (2016) 6(2) *Calabar Historical Journal* <<https://www.researchgate.net/publication/31755508-structural-adjustment-programme-in-nigeria-and-its-implication-onsocio-economic-development-1980-1995>> 25 March 2020

⁵ Jibril Ibrahim, 'The Transformation of Ethen-Regional Identity in Nigeria in' A. Jega (ed) *Identity Transformation and Identity Politics under SAP* <www.diva-portal-org-smash-ges/diva2:248993/FULTEXT01.ptfsimilaridentity> 27 March 2020

⁶ Abah and Peter, (n4)

⁷ *Ibid*

Furthermore, the removal of social subsidy led to rise in school fees, and subsequent increase of the number of school dropout who flooded the cities and villages aimlessly. There was youth uprising which led to the emergency of youth gang like the egbuse boys, area boys, the yandaba and many others which threatened the societal peace and security.⁸ Besides, SAPs policies implementation in Nigeria generated intense industrial disputes, the various labour unions reacted against SAPs through demonstration, public enlightenment, rallies and strike actions. There was also little or no attention given to social programs by the government, this led to often vehement domestic unrest, such as Muslim-Christian riots in Kaduna State in March 1987, urban rioting in April 1988 which came as a public reaction to reduction in gasoline subsidies, student-led violence in opposition to government economic policies in May and June 1989, and the second coup attempt against IBB in April 1990.⁹

In addition, in January 2012 during the Former President Goodluck Jonathan led administration, there was mass protest in Nigeria against an overnight 120 percent increase in the price of petrol, (65 Naira to 141 Naira) due to reduction of oil subsidy by the administration. The government was reportedly advised to remove oil subsidy by the IMF, which argued that it will save the government money, as well stop government money from falling into the hands of corrupt middlemen. This increase in petroleum product affected the prices of goods and services generally and disproportionately affected the oil exporting country's poor citizens because of increase on food and transportation and imposed serious challenge to human rights of citizens.¹⁰

The SAP policy introduced in 1980s failed and brought terrible economic damage to Nigeria economy. Nigeria was entrapped in a 22-billion-dollar debt to Paris club and was servicing her debt to London club worth 3.5 billion dollars at the same time.¹¹ This strategy based on history has never worked for Nigeria, arguably because Nigeria is basically an import based economy and depended on oil export as its major source of revenue; and whatever affects oil in international market affects Nigeria economy. This study will further outline and examine both the negative and positive effect of economic globalization policies in Nigeria economy.

Globalization and Nigeria Economy: Positive Effects

Globalization Promotes Friendly Relationship between Nigeria and Other Nations

Globalization turns the world into a global village via revolution in information technology, the breakdown of boundaries among states and increasing connectivity of the various transnational relations. Therefore, Nigeria can interact with the economically and technologically rich countries at ease due to removal of trade barriers by both countries; example of such interaction in the recent time is the China-Nigeria trade relations. The trade relations between China and Nigeria reflect relevance of the interdependence of nations of the World. This portrays the importance of trade in the analyses of the present day world in which no country can stand on itself, since no nation is naturally endowed with all the resources that it needs in sustaining itself, hence countries must interact with one another in order to survive. Put differently, this trade interaction postulates that nations are dependent on one another for their economic growth. Though, in every international relation there is bound to be winners and losers. Thus, Nigeria-China trade relations is a form of interdependence upon each other for economic growth and general welfare of their citizens, in other words` they complement each other. China as an industrializing economy requires the services of the energy that comes from oil (petroleum) and Nigeria on the other hand as an underdeveloped economy requires the products that come from these Chinese companies in order to satisfy the demands of its population.

⁸ *Ibid*

⁹ Felix Uchechukwu Konyeaso, 'The Impact of Globalisation in Nigeria Economy' 2016, 2(10) *Pyrex Journal of Business and Finance Management Research* 23

¹⁰ Alex Duval Smith, 'Order has Return in Nigeria after the Fuel Protests, but Deep Anger Remains: Global Policy Reform' *The Guardian Newspaper* (Nigeria, Feb. 12 2012) <<https://www.globalpolicy.org/social-and-economic-policy/the-three-sister-and-other-institution/the-i-m-f/51311-order-has-returned-to-nigeria-after-the>> accessed 23th March 2020

¹¹ Rabet Delphine, Human Rights and Globalization: The Myth of Corporate Social Responsibility, (2009) 1(2) *Journal of Alternative Perspective in the Social Science* 463

Moreover, the Beijing Summit of 2018 strengthened the friendly relation between Nigeria and China. The Chinese Ambassador to Nigeria, Dr Zhou Penjian reaffirmed this in an interview with Daily Sun in Abuja on a press briefing on the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) when he said that Nigeria as the largest developing and the most populous country in Africa has important role to play and will as well benefit from FOCAC and this will deepen its bilateral relation with China. According to the Ambassador, the summit will promote political mutual trust.¹² On the side-line of FOCAC, President Xi Jinping of China and President Muhammadu Buhari of Nigeria led their respective delegations to a bi-lateral meeting to explore how the two countries can deepen their relations cutting across the economy, trade and security. However, President Buhari visit to China in April 2016 may have strengthened this relation as both presidents had early reached consensus to deepen China-Nigeria relation as the largest developing country in the world and largest developing country in Africa respectively. During FOCAC, China officials made pledge of financial and technical assistance to the manufacturing sector. This is partly evidenced in the Abuja-Kaduna Railway, the Abuja light Rail, the Zungera Hydropower, and the Airport Terminal and many other ways the Chinese has expanded their investment in Nigeria.¹³ Series of Memorandums of Understanding was signed between representatives of both countries to strengthen consultation, expand cooperation and promote political dialogue and economic cooperation. Key MOUs between both countries signed to strengthen the bi-lateral relationship include: The “One Belt One Road” initiative was signed by Mr. Geoffrey Onyema, Foreign Affairs Minister representing Nigeria and Mr He Lifeng, Director, National Development and Reform Commission representing China. The \$328m concession loan agreement between Galaxy bone Technologies of Nigeria and Huawei Technologies was signed by Mrs Kemi Adeosun, Finance Minister on behalf of Nigeria, and Mr. Wang Xiaotao Director-General, International Development Agency.

However, the purpose of the Win-Win Cooperation between Nigeria and China is to expand business relations between the two countries since Nigeria is one of Chinese major importers and consumer of made in China products regardless of its effect on the local industries. Nigeria also used the opportunity to improve on her economic and infrastructural development which also enhances smooth movement of Chinese products in Nigeria. This notwithstanding, the human rights implication of this gesture by Chinese government to Nigeria is obvious; it is arguably neo-liberalism in disguise.

Globalization Enhances International Businesses through Improved Communication System

Information and Communication Technology is a major tool in the world economy integration process and it forms major bases in the transformation of businesses within and among states in the world. ICT is currently the reason behind the success of several industries as it adds great value to consumer products. The increase in Foreign Direct Investment flow promotes growth in the world trade and ensures efficient use of technology in the production process. Through the help of modern communication and transportation, goods and services circulate around the globe faster and serve common benefit of man.

It Encourages Competition and Increased Output in Industry

Globalization promotes world trade and output to ensure better consumer satisfaction, because a better standard of quality is achieved through competition and specialization. When the market is competitive, companies ensure better quality products at reduced price, increase managerial capabilities, promote rapid growth in output and increases national income, global wealth and living standard of citizens. This means that economic globalization reduces or eradicates monopoly in economic activities.

¹²Aidoghie Paulinus, ‘Why 2018 Summit is Important to Nigeria-Chinese Government’ *The Daily Sun* (Abuja 27th August 2018) <<https://www.sunnewsonline.com/why2018-focac-summit-is-important-to-nigeria-chinese-government>> 15 May 2020

¹³ Aidoghie Paulinus, ‘Why 2018 Summit is Important to Nigeria-Chinese Government’ *The Daily Sun* (Abuja 27th August 2018) <<https://www.sunnewsonline.com/why2018-focac-summit-is-important-to-nigeria-chinese-government>> 15 May 2020

Globalization and Nigeria Economy: Negative Effects

In the speed of economic globalization, IMF, WB and other world donors have given preconditioned loan allocations to Nigeria to strengthen its productive base and diversify its economy. These gestures appear harmless on the face of it, but in the real sense, they have serious negative implications for countries that engaged it, so it can be argued that Nigeria engages in it without a clear understanding of the economic intricacies. Nigeria's political instability and social unrest resulted from the implementation of IMF and WB reform policies. Among the negative impacts such gesture by world donors have in Nigeria are: unemployment, brain drain, the unbridled influx of the Multinational Corporations and human right abuses in Nigeria, youths and ethnic group uprising and its resultant effect of insecurity, the collapse of local industries and overdependence on imported goods.

Unemployment

Nigeria's involvement in the wind of globalization leads to elimination or reduction of trade barriers, increased cross-border relations with other states and promotes interdependence among nations. This situation benefits the developed and industrialized countries and leading democracies in the world. Nigeria's purpose of engaging globalization process reflects great intention to be as developed, industrialized and influential as other democracies and developed countries. Contrary to this expectation, the longtime negative implications of globalization on the Nigerian economy is overwhelming, it resulted to an increased unemployment, quasi employment, under employment and stagnation in the process of national development resulting from deregulation policy, collapse of local industries and privatization of government owned industries.

To clarify the ambiguity in the word "unemployment" the International Labour Organization in 2016, said that an unemployed person is: 'someone who is of working age, being without employment and being available to take up employment and haven actively looked for job or having found one starting in the next three months.'¹⁴ The National Bureau of Statistics reports (2018) showed that the unemployment rate in Nigeria rose from 22.7 percent in the second quarter (Q2) of 2018 to 23.1 percent in the third quarter (Q3) 2018 as against 18.8% in the corresponding quarter in 2017.¹⁵ In the Q3 of 2017 the NBS ranked Nigeria 3rd after South Africa and Greece in the global unemployment ranking.¹⁶ In addition, the former vice president, Atiku Abubakar on July 2018 argued that Nigeria jobless rate was the highest and more than ten million youth were unemployed and this figure corresponded with the labour force data.¹⁷

The economic activities of Nigeria on the international market create employment opportunity for skilled workers and have left most unskilled workers unemployed. This is because economically, the globalization effect is more pronounced in oil and gas sector of Nigeria which accounts for about 90 percent of Nigeria gross earning and Nigeria pays obvious attention to the sector than other sectors in terms of revenues and investments. However, the job available in the oil sector is not enough to meet the booming demand of Nigeria's diverse and ever increasing population. the difference between the jobs available and the number of unemployed graduates is relatively high, this is because the Nigerian government pays less attention to job creation. Her over-dependence on the oil industry, for instance, has serious negative implication on other sectors that have the potentiality to generate jobs opportunities and increase the country's source of revenue.

¹⁴ ILO INSEE and Official Statistics, 'Unemployed Person (ILO)' <<https://www.insee.fr/en/metadonnees/definition/c1129>> 30 April 2020

¹⁵ Voice of the Nation, 'Nigeria Rising Unemployment Figures' *Sun Newspaper* (Lagos 9th January 2019) <<https://www.sunnewsonline.com/nigeria-rising-unemployment-figure>> accessed 30 April 2020

¹⁶ Goddy Odin, 'Nigeria Places Third in the Global Unemployment List with 18.8% after South Africa, Greece' <<http://www.businessamlive.com/nigeria-places-3rd-global-unemployment-lisi-18-8-south-africa-greece>> accessed 30 January 2020

¹⁷ Africa Check, Nigeria Joblessness at all Time High? Checking a Politician's Claim <<https://africacheck.org/report/nigeria-joblessness-at-all-time-high-a-politicians-claim>> accessed 30 April 2020

Brain Drain

Another negative impact of globalization is the loss of highly educated and qualified professionals in Nigeria due to migration to developed or other developing countries for a better life. Brain drain problem arises when skilled workers and educated citizens migrate from their own country to a better country due to some factors like political instability, low wages, economic recession, poor governance, unemployment or high crime rate. Like other developing countries, Nigeria deals with the brain drain syndrome. Globalization encourages free flow of human, capital and services; as such it can be argued that the brain drain syndrome is the effect of globalization which leaves donor countries (the country of the migrant) with insufficient number of expert personnel and enrich the receiving countries with experts. The developed countries encourage focused migration;¹⁸ this concept refers to process where developed countries promote and support the immigration of people with sound educational background in relevant educational degrees (the best brains) into specific sectors of its economy. This strategy has facilitated uninterrupted flow of migrant from periphery countries to core countries. Nigeria's experience is challenging and more particular in the health sector.

It is of common knowledge that most experienced Nigerian medical consultants and nurses are working in developed countries particularly United States and the United Kingdom and this has negative impact in the Nigeria health sector. A report by Mercy Abang on 8th April 2019 revealed that in March 2019 hundreds of Nigerian doctors gathered at hotels in Abuja and Lagos for job interview conducted by Saudi Arabian Health Ministry just to attract the medical talents in Nigeria.¹⁹ The doctors blamed the mass exit on shortage of job opportunity, poor working condition and pay, only four percent of Nigeria budget is allocated to the health sector.²⁰ It has been observed that not less than 5, 405 Nigeria doctors are currently working with National Health Service in United Kingdom; according to NHS statistics on staff from overseas, Nigeria has the highest number followed by Ghana with 2,342.²¹ In addition the University College Hospital (UCH) Ibadan statistics showed that out of 80,000 registered medical doctors in Nigeria, more than 50,000 are practicing abroad and 92 percent of those working in Nigeria are also seeking for opportunity to work abroad.²² In the search for improved working condition, Nigeria doctors migrate to other countries, this development has negatively affected the Physician-Patient Ratio in Nigeria from 1-4,000 ratio to 1-5000 as against World Health Organization recommended 1-600 ratio.²³

However, the Nigeria government has claimed through the Minister for Labour and Employment Dr. Christ Ngige, in his interview by Maupe Ogun Yusuf of Channels TV's Sunrise Daily on 24th April 2019 that it is not worried about the brain drain in the health sector, Dr. Ngige's reason being that Nigeria has surplus doctors. He argued 'We have surplus and if you have surplus, you export'²⁴ It has attained common sense status that the migration of most experienced Nigerian medical consultants and nurses to other nations has negative impact in the Nigeria health sector. There is also an increase in the number of Nigerians flying abroad for medical treatment particularly the Political class and wealthy private persons. It has been argued by Wapmuk that about 5000 Nigerians travelled to India monthly for medical treatment, this medical tourism costs Nigerian about 500 million dollars per annum while India earned

¹⁸Muru M. Globalization, 'Migration and Brain Drain: A Reality Check. 2008 6(3) *Health Policy and Development* <<http://www.bioline.org.br/pdf?hp08018>> accessed 30 April 2020

¹⁹ Mercy Abang, 'Nigeria Medical Brain Drain: Healthcare Woes as Doctors flee' <<https://www.aljazeera.com/indepth/features/nigeria-medical-brain-drain-healthcare-woes-doctors-flee190407210251424htm>> accessed 30 April 2020

²⁰ *Ibid*

²¹ Joseph Onyekwere and Ngozi Egenuka, 'Nigeria Groans as Medical Professionals Emigration Worsens' *The Guardian Newspaper* 29th March 2019 <<https://guardian.ng/news/nigeria-groans-as-medical-professional-emigration-worsens/>> accessed 20 May 2020

²² Odiri Uchenunu-Ibe, '50,000 Nigerian Doctors Practice Abroad' *Leadership Newspaper* 6th January 2018 <<https://leadership.ng/2018/01/06/15000-nigeria-doctors-practise-abroad.>> 20 May 2020

²³ Onyekwere and Egenuka, (n21)

²⁴ Onoshe Nwabuioku, 'Ngige and the Real Brain Drain' 28th April 2019 *Punch* <<https://punchng.com/ngige-and-the-real-brain-drain/>> accessed 30 April 2020

about 260 million dollars as a result of Nigerian patronage.²⁵ The causes of this are shortage of medical staff, Limited resources and poor equipment in federal, state and local hospitals in Nigeria. These situations minimize active medical practices and encourage decision to move to another country with intensive medical training which invariably paves way for career development. This also constitutes violation of right to life of the poor Nigerians who cannot afford medical treatment abroad.

Multinational Corporations and Human Rights Abuses

Multinational Corporations play great part in the management of the world natural resources, these companies decide their rules of operation in Nigeria and exploit the citizens due to poor legal and institutional frameworks regulating their activities in Nigeria. The MNCs directly or indirectly causes pollutions, the deterioration of the environment and the subsequent increase of human rights violations in Nigeria. The operations of MNCs in Nigeria emerged during the establishment of trading posts in Nigeria by European corporations in the 19th century. Their operations in Nigeria systematically expanded with the outbreak of oil boom in the late sixties. The oil and gas sector in Nigeria is over flooded by foreign multinational corporations operating in partnership with the Nigerian National Petroleum Corporation, a state owned corporation.²⁶

Due to the globalization trend, Nigeria liberalized its economy to allow foreign direct investors in the oil sector. The protection and promotion of human rights of the citizens of host communities, customers and employees become part of the social responsibilities of MNCs to satisfy their international human rights obligations even though there is no local law regulating Corporate Social Responsibility in Nigeria. This poor legal and institutional framework of the country led to grievous violation of human rights by the activities of these corporations. Even though the MNCs create jobs, improves technology and inject capital into the economy of host states the negative implications of their operation is overwhelming in Nigeria. The abuse of human rights by MNCs in Nigeria is more often than not those that fall within the International definition of economic, social and cultural rights.²⁷ To address this menace, jurisdiction of the International Criminal Court extends to violation of human rights by these corporations in their cause of operations to ensure respect and compliance to its human rights obligations.²⁸

The high concentration of crude in the Niger Delta part of Nigeria influenced the movement of these companies to the Niger Delta area of Nigeria where the oil exploration activities are carried out. The indigenous people of the Niger Delta are mostly agro and fish farmers who have been exposed to the risk of environmental degradation, oil spills from pipelines polluting land and waterways, gas flaring polluting the air and destruction of fishing and farming opportunities leading to the frustration of the means of livelihood of these farmers and fishermen and the degradation of the environmental health. This puts in doubt the right to life, means of livelihood and healthy environment of the indigenous people of Niger Delta. The presence of the MNCs in the Niger Delta deepened existing conflicts in the region, generated new ones, causing division, impoverishment, loss of lives and violence that destroyed homes, crops and displaced many from their homes. The companies have directly or indirectly motivated abuse of human rights or lower the level of the protection of human rights by states to attract foreign investment.

To protect the interest of MNCs state uses its coercive power against its own people from the oil producing communities. This leads to host community's youth uprising against the oil companies and the government. In order to gain legitimacy and trust of host communities the MNCs embraced Corporate Social Responsibility practices but this has been ineffective due to lack of local legislation regulating CSR in Nigeria.

²⁵ S. Wapmuk, Medical Tourism Nigeria and India Relations (2015)12(1) *Journal of Tourism and Research* <<https://ideasrepec.org/jtr/journal/v12y2015i146-66.html>> accessed 30 April 2020

²⁶ Olufemi Amao, 'Corporate Social Responsibility: Human Rights Consideration Among MNCs in Nigeria' <<https://www.e.ir.info/2012/06/08/the-role-of-corporate-social-responsibility-human-rights-consideration-among-multinational-corporations-nigeria>> 1 May 2020

²⁷ The International Covenant on Economic, Social and Cultural Rights, 1966

²⁸ David Kinley and Junko Jadaki, 'From Talk to Walk: The Emergence of Human Rights Responsibilities for Corporations at International Law' (2004) 44 *Virginia Journal of International Law* <<https://www.business.humanrights.org/en/doc-from-talk-to-walk-emergence-of-humn-rifgts-responsibilities-for-corporation-of-international-law>> accessed 1 May 2020

Attempt to get justice from domestic court in the case of violation of human rights by the Oil communities have been frustrated due to poor legal and institutional framework regulating the concept and the problem of procedures and corruption in the system. This failure prompted to the emergence of the militant group which engaged in kidnapping of oil workers, vandalizing oil pipelines, attack on oil installations and abduction of security personnel working with the oil companies.

CSR strategy became an important issue in Nigeria in the 1990s after various human rights violations and environmental pollutions by MNCs. This human rights infringement was unmasked in the sham trial and conviction of the Ken Saro Wiwa and other leading activists in Niger Delta. In the cause of agitations and protests, the then Military Government of Nigerian led by late Sani Abacha arrested them for the alleged offence of masterminding the killing of some pro-government individuals. They were subsequently arraigned before a military tribunal which sentenced nine of them, including Saro Wiwa to death. This act exposed the illegitimate and inhuman operations of MNCs in Nigerian to global attention and was a public relation disaster for the MNCs working in the area. In order to curtail the backlash from within and outside the country, multinational companies became more proactive in the deployment of CSR strategies. The key strategies employed by companies in implementing CSR include philanthropic activities, stakeholder engagement, public relation campaigns and sustainability reporting.

Imbalance in Trade Relations between Nigeria and Other Nations

Globalization as an uneven process brings inequality in the distribution of its benefits and losses. This imbalance leads to polarization between the developed countries that gain, and the developing countries that lose out. In relating it to Nigeria situation, it is arguable that Nigeria is economically weak due to inefficient and deficiency in the domestic infrastructure needed to enhance the production system, economic growth, boost competitive strength, diversify the economy and control unfavorable terms of trade, debt burdens and corruption. These factors in totality affect investment choices and investors' confidence in Nigeria. These arguably constitute serious obstacles to the strength of the productive sector, especially agricultural sector. As a monoculture economy, Nigeria place total reliance on the export of crude, this means that instability in the world oil market will automatically have negatively effects on the Nigeria economy and in turn cause a decline in foreign exchange earnings; put differently, anything that affects oil internationally affects Nigeria revenue.

Therefore, Nigeria being a mono product economy; low crude oil output weakens the country's international trade with other countries. As import based nation, Nigeria oil sector is not fully industrialized, this to lager extend affects balance of trade; for instance, Nigeria-China trade relation has remained disproportionately in the favour of China. Nigeria is a major importer of Chinese goods, this increases the capital flight of China and weakens Nigeria's manufacturing sector. In 2010 for instance, Nigeria-China trade balance was USD 7.7 billion, China's export to Nigeria and import from Nigeria were USD 6.737 billion and USD962.5 million respectively.²⁹ According to National NBS between 2013 and 2016, Nigeria trade deficit with China was USD 16.9 billion.³⁰ President Buhari reiterated the obvious gap in trade in the favour of China during his state visit to China in 2016. The recent data from the NBS indicated that Nigeria export to Asia as a region was estimated at N1.42 trillion in the last quarter of 2018 and the Nigeria's import from China being a country in Asian is about N900 billion for the same period.³¹

In addition, Nigeria has series of trade agreement with US, for example, the Trade and Investment Framework Agreement was created in 2000 and its 8th council meeting was held in March 2016. US trade in goods and services with Nigeria in 2017 is estimated at \$12.1 billion, exports were \$4.6 billion and imports were \$7.5 billion- US goods, the services deficit was \$2.9 billion in 2017.³²

²⁹Efem Nkam Ubi, 'Addressing Nigeria Trade Disparity with China' <www.financialnigeria.com/addressing-nigeria-trade-disparity-with-china-blog-317.html> 21 May 2020

³⁰*Ibid*

³¹Bamidele Samuel Adesoji, 'US-China Trade War: Implications for Nigeria as its Asian Romance Lingers' <<https://nairametrics.com/2019/03/26/us-china-trade-war-implication-for-nigeria-as-its-asian-romance-lingers/>> 23 May 2020

³²Office of the United State Trade Representative, Nigeria <<https://us.gov/countries-region/west-affrca/nigeria>> 23 May 2020

More so, goods trading during 2018 totaled at \$8.3billion, exports were \$ 2.7 billion, goods imports were \$5.6 billion. US trade deficit with Nigeria was \$3.0billion in 2018. In the same vein, Nigeria also recorded trade deficit with United Kingdom (UK) in 2016. NBS analysis showed that Nigeria imported goods worth #362.87 billion from UK and exported #300.66 billion; it recorded negative trade balance of #62.21 billion. This analysis also showed that Nigeria trade with Europe as a whole in 2016 recorded a negative balance of trade of #1.05 trillion.³³

The above analysis explained the peripheral position of Nigeria in the financial and profit calculations of industrialized nations and the country's marginalized status in the world modern capitalism. This is as a result of overdependence on imported goods which in turn weakens local industries.

Overdependence on Imported Goods and the Collapse of Local Industries

Nigeria by its structure is a typical underdeveloped country and a mono product economy; the oil and gas sector not fully industrialized constitutes the major primary sector and dominates the gross domestic product. In the structure of economic activities currently in Nigeria: crude oil accounts for about 40 percent GDP, over 95 percent of the export earnings and over 70 percent of Federal Government Revenue.³⁴ Reduction in the price of crude oil or and reduction in the estimated volume due to militancy activities in the Niger Delta weakens the overall country's international trade with other countries and negatively affects Nigeria foreign reserve. It is arguable that virtually every consumable goods and services in Nigeria is imported or illegally smuggled into the country, this affects the exchange rate against Nigeria. Excessive legal and illegal importations have drastically undermined the strength of manufacturing local industries in Nigeria in the favour of its counterpart. Nigerians are known for their high desire for foreign goods and services not minding the standard in comparison to locally made goods and services, this exposes domestic manufacturing companies to competitiveness and makes the sector vulnerable. Smuggling of foreign goods into the country constitutes illegal importation and impose serious challenge to local industries, for instance, the Minister of state for Agriculture; Heineken Lakpobiri recently expressed worries over about one million tons of rice waiting to be smuggled through borders from Cotunu, he further said that importers connive with some men of the custom service to reduce the volume of imported goods.³⁵ To face the international competition, some industries in the sector entered corporative arrangement with other firms both at home and abroad.

Due to high import content, the economy of the country faces exchange rate crises. High demand for foreign exchange at the detriment of the Naira which depreciates daily and the significant drop in the export revenue from crude oil negatively affects the external reserve. Report of the NBS in 2015 showed that Nigeria spent #1.6 trillion on importing boiler, machinery and appliances, #1.3 trillion on mineral products and #600 billion on vehicles, aircraft and associated parts.³⁶ In 2018 the data totaled import value was #2.518 trillion and #2.106 trillion for the first and second quarters respectively. This data did not in any way reflect goods illegally imported into Nigeria and illegal reduction of imported goods by custom. The Nigeria Government has at different times attempted Import Substitution Strategies to balance trade between Nigeria and other countries. To support already existing plan created by the Military Administration, the Jonathan led Administration in 2012 initiated the Nigeria Industrial Resolution Plan. The aim of the NIRP is to improve the local production of most imported goods into Nigeria and to make Nigeria a solid manufacturing base. The present President Buhari administration has made its intention to revolutionize agriculture, manufacturing and all other infrastructure known.

³³ Ife Ugunfuwa, 'Nigeria Records First Trade Deficit with UK in Seven Years' 19 June 2017

PunchNewspaper<<https://punchng.com/nigeria-records-first-trade-deficit-with-uk-in-seven-years/>> 23 May 2020

³⁴ Proshare, Import Substitution in Nigeria: Feasibility and Path Towards Reduced Import Content

<<https://proshareng.com/news/NigeriaEconomy/import-substitution-in-nigeria-feasibility-and-path-towards-reduced-import-content-30809>> 25 May 2020; AdeyemiAbolaji Joachim, 'Development of the Non-Oil Sector: Challenges and lesson for less Developed Countries' (2013) 5(1) *Covenant Journal of Business and Social Sciences*

<<https://journal.covenantuniversity.edu.ng/index.php/cjbss/article/view/file/29/23>> 24 May 2020

³⁵ Denise Adesanoye, 'How Importation is Killing Nigeria Economy' <<https://nairametric.com/2018/10/03/nigeria-import-411-326-in-goods-in-8-years>> 24 May 2020

³⁶ Proshare, (n34)

To sum up this argument it is clear that overdependence on foreign made goods by Nigerians of all class has frustrated economic activities of indigenous companies, added to unemployment due to redundancy, discourage the production of the made in Nigeria products and has increased insecurity masterminded by the denied group, above all, it amounts to the violation of the economic rights of the citizens. In relating the present fluctuating oil prices, there is the likelihood that Nigeria may suffer economically due to this problem of over-dependence, this is because Nigeria still have to export oil to core countries, and later buy the refined products at an over inflated price.

CONCLUSION

Attempt to balance the positive effects of globalization and its negative effects on the Nigerian's economy leaves the researcher with no better option but conclude that the negative impact is obvious and overwhelming in the economy of Nigeria. Implementation of globalization policies necessitated the present day economic challenge, political war, insecurity, privatization of government companies, collapse of local industries and underdevelopment in Nigeria. Unemployment caused by the implementation of globalization policies has created serious negative impact in Nigeria as the unemployed youths roam about the street of our cities and villages aimlessly. This adds to hardship in Nigeria as most Nigerian graduate still depend on their parents or guardians for the daily necessities like food and shelter. The lack of attention by the government to address this menace has also affected the desire for education by young Nigerian.

RECOMMENDATIONS

The researcher recommends as follows:

Diversification of the Nigerian economy and the industrialization of the oil sector: it is necessary for the government to give urgent attention to the industrialization the oil sector and diversify the nation's productive base to survive the current global economic uncertainty due to fall in oil price, improve on development and economic growth, reduce poverty and provide employment to its citizens.

There is need for a law to check and control the inflow of foreign companies, goods and services into Nigeria to protect and strengthen local industries. The influx of MNCs and foreign goods and services often appears to be a death to local companies because the foreign rival is more powerful with advanced technology, superior products, powerful brands and seasoned marketing and management skills.

There is also need for local legislation to checkmate the administration of Corporate Social Responsibility by MNCs to meet international standard, protect and promote human rights and ensure sustainable development in Nigeria.

There is need for law to stop all forms of preconditioned financial aid to Nigeria from the world donors. This is because the implementation of these policies leaves the country in worse situation than it was before borrowing.

There is also need to rebuild all collapsed government industries and to address the issue of unemployment