GLOBALIZATION AND POLITICAL STABILITY IN NIGERIA
(1990 - 2010)

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OCTOBER, 2011
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DEDICATION

This effort is dedicated to God Almighty for his infinity mercies and loving kindness.
ACKNOWLEDGMENT

I hereby with all enthusiasm and appreciation acknowledge the efforts of my supervisor, Dr C.U. Agalamanyi for his patience, guidance and corrections offered to ensure that the right thing is done and other virtuous influence beside academic work.

I also acknowledge the Head of Department of Public Administration and Local Government, Prof Fab Onah for the gentle and relentless manner in which he imparted knowledge to us irrespective of his administrative busy schedule.

Moreso, is my boss, friend and role model (Barr. Tony Ugwu), for his fatherly backing.
ABSTRACT

The study examined the effect of globalization on political stability in Nigeria between 1990 and 2010. It explained the concept of globalization as the integration of the nations of the world into a universal community in a way that engenders cooperation, complementarities and comparative advantage among states in such interaction. In order to carry out the study, we used both primary and secondary sources to generate data. From the data collected, the study concluded that in relation to the political realities of the Nigerian state, there are inherent benefits as well as odds in the globalization process. The study believes that the onus lies on, Nigeria to maximize the benefits and minimize the odds of globalization. The study also concluded that there exists a relationship between Foreign Direct investment and political instability in Nigeria over the period under review. Finally, the study recommended that Nigeria should ensure that the country has a sound technological base in order to diversify the economy.
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# BIBLIOGRAPHY
CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

There is a rising and renewed euphoria among people, organization and government of different countries of the world for increased interconnectedness and transaction thereby reducing the entire universe to the popular notion of “global village or global community”, with acclaimed benefits and prosperity for all. As such citizens of different countries like Nigeria have looked up to their government in realization of the anticipated benefits and prosperity inherent in globalization but over time it became obvious that every country is not equally endowed to attract these benefits and prosperity associated with globalization.

The globalization processes and benefits are attracted and mediated by the force of technology and capital. This suggest that globalization is not a new phenomenon rather the mechanism of its operation is dynamic, therefore changes with time and in line with technological changes. This implies that those countries that possess the power of technology and capital stands to gain more while those without them stands to gain less and loose more. In a simple stance, “Globalization is a process of interaction and integration among the people, companies, and governments of different
nations, a process driven by international trade and investment and aided by information technology”, (Globalization 101.org).

For Thomas Friedman, globalization is not new for thousands of years, people-and, later corporation-have been buying from and selling to each other in lands at great distances, such as through the famed silk Road across central Asia that connected China and Europe during the middle ages. Likewise, for centuries, people and corporations have invested in enterprises in other countries. In fact, many of the features of the current wave of globalization are similar to those prevailing before the outbreak of the First World War in 1914.

But policy and technological developments of the past few decades have spurred increases in cross-border trade, investment, and migration so large that many observers believe the world has entered a qualitatively new phase in its economic development. Since 1950, for example, the volume of world trade has increased by 20-times, and from just 1997 to 1999 flows of foreign investment nearly doubled, from $ 468 billion to $827 billion. Distinguishing this current wave of globalization from the earlier ones, Friedman maintained that it is “farther, faster, cheaper, and deeper”. (Globalization 101.org).
He further observed that the current wave of globalization has been driven by policies that have opened economies domestically and internationally. In the years since the second world war, and especially during the past two decades, many governments have adopted free-market economic systems, vastly increasing their own productive potential and creating myriad new opportunities for international trade and investment. Governments also have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investment. Taking advantage of new opportunities in foreign markets, corporation have built foreign factories and established production and marketing arrangements with foreign partners. A defining feature of globalization, therefore, is an international industrial and financial business structure”.

Nigeria got into the international system through colonialism: a process of political actualization of European economic desires, and as noted by Emezi (1998: 55), “for over a thousand years, the West African gold, ivory, and Kola nuts had gone north from the forest belt, and together with leather, Ostrich feather, handicrafts, and slaves from the savannah belt had crossed Sahara in great caravans from such centres as Kano, Gao, Paper and
assorted European goods had come back with the caravans and been
distributed along the trade routes down to the coast”.

The reality of the above quotation is that political stability is
precedent to economic stability and development. Therefore globalization is
envisaged in this context as a neo-colonial mechanism to keep Nigeria
politically vulnerable and economically open for sustained exploitation of
the developed nations. This implies that Nigeria cannot imagine becoming
economically stable or developed without first being politically stable.
Globalization irrespective of the minimal benefits to Nigeria has led to the
increase in political instability, by pitching the government against the
citizens due to government adoption of global economic policies that
favours the interest of Western world and their multilateral institutions
against the welfare and wellbeing of Nigerians, such as the adoption of IMF
structural adjustment programme (SAP) by Babangida administration in
1986 and the current political imbroglio given rise by the attempt of
president Jonathan to deregulate the oil sector, the move which was started
in 1999 by Obasanjo’s civilian administration. The net result of these
externally imposed or influenced policies in Nigerian economy, is increase
in poverty rate, unemployment, ethnic dissension, corruption, crime rate,
political violence, decay of infrastructures, socio-economic inequality, etc.
To cap it up, politics has therefore been used as a re-enforcing agent in global relations and Baylis et al (1997), noted that “in this context of massive incongruence and disarticulatory supremacy of politics over economic welfare of a nation’s citizens, globalization offers little to countries that are not technologically competitive”. The ensuing condition becomes neo-structuralists in many senses, and as economic structuralists would say in the instance of such inequality, “neo-colonialism (neo-imperialism), which operates without colonies but is nevertheless imperialistic has created a hierarchical structure in which the rich states in the centre of the world economic system dominate the LDCs on the periphery of the system”, Ronik (1997:416).

1.2 Statement of the Problem

The issue of global integration and interdependence of economies, cultures and governments of the world are the indisputable realities of neo-colonialism which in its phenomenal development has come to be known as Globalization.

The bone of contention is that the pattern of the global integration has placed some nations at advantage and others like Nigeria at disadvantage within the global economy while within the local economy, it has re-enforced inequality and widened the gap between the “Haves” and the
“Have nots”, thereby increasing instability. In view of this fact, Akinboye (2008:7) argues that, “no country in contemporary world can really be an Island unto itself, either due to its vibrant economic strength e.g United State or because it decides to close its doors to the outside world like china successfully did in the past. The critical message of globalization in this context is that in the existing moment of integration of global markets, Nigeria and other developing nations have little choice but to try and join the globalization train despite of their disadvantaged position in the process”.

The position of Cuban president (Fidel Castro) is equally germane. To him, globalization portends a law of history and the consequence of the development of productive forces, or in simple terms, the development of science and technology, Lipalile, in Akinboye (2008:5). By law of history, Castro affirms the primordial act of expansion by conquest and domination by the use of superior force (technology) and resources (capital), the factors of capitalism, colonialism and neo-colonialism which metamorphosed to Globalization. This conforms to the earlier position of this work that globalization is not new but over time have changed in form and mode in line with technological changes.

For, Ake (1996:5), the process of globalization is many things of course. It is about structural differentiation and functional specialization in
the world economy. It is about incremental inter-dependence, the growing spread and intensity of interactions among nations and about the nation-state coming under pressure from transnational phenomena, and so on. The process is complex, ambiguous and contradictory”.

It is this undue pressure from transnational organizations that weakens and incapacitate Nigeria state in competing actively in the global arena and as well internally and externally politically vulnerable. Ake, further maintained that …. “globalization is uneven in its impact, it produces winners and losers. For it is not Hausa that is globalized but English, not Togolese technology but American and Japanese. The trajectory of the financial flows which fuel the global economy is well known”. Globalization creates an efficiency norm using the instrument of competition. But in actual sense the process produces winners and losers. It creates abstract opportunities for all countries to compete and develop, while creating a concrete situation of domination. In line with the preceding views, UNDP’s Human Development Report (1999: 25), “………. globalization is increasing the contacts between people across national boundaries in economy, in technology, in culture and in governance. But it is also fragmenting production process, labour markets, political entities and societies. So, while globalization has positive, innovative, dynamic aspects-
it also has negative, disruptive, marginalizing aspects”. Also, from the preceding report, “the new rules of globalization-and the players writing them-focus on integrating global markets, neglecting the needs of people that markets cannot meet. The process is concentrating power and marginalizing the poor, both countries and people”. This is why Efemini (2003:100), opined that “globalization has form, it has character, and it is not ideologically neutral. Its ideology is the universalization of the market. Such universalization has often implied the loss of autonomy of nations in taking decisions on the control of their local economies”. As such Kofi Annan, (2000:6) added that “…… globalization offers great opportunities, but at present its benefits are very unevenly distributed while its costs are borne by all”.

It seems that in this globalization era, technology is central in determining the winners and losers consequently, the following research questions have been posed to guide the study.

1. How has globalization impacted Nigeria Political system?

2. How can Nigeria benefit from the processes of globalization without indigenous technology?

3. How has FDI impacted Nigeria’s oil dependent economy in terms of political stability?
In view of these posing questions, the problem of this study is therefore how to Isolate among these elements of globalization: international trade, foreign direct investment (FDI) and capital market flows, that has more direct implications with political instability in Nigeria.

1.3 Objectives of Study

1. To identify if globalization has positively impacted Nigeria in terms of political stability.

2. To assess if Nigeria can maximize the benefits of globalization without indigenous technology.

3. To ascertain the implications of FDI on Nigeria’s oil dependent economy in terms of political stability.

4. To make recommendations that will promote political stability in Nigeria in this globalization era.

1.4 Significance of the Study

The most significance aspect of this study is to bring to the fore the risks, opportunities and benefits inherent in globalization and how Nigeria can exploit the opportunities to bring about political stability and invariably economic stability by urgently addressing the issues of poverty, unemployment, corruption, inequality, infrastructural decay and more
involvement of the state in the economy due to the undiversified nature of Nigerian economy.

Also, the finding and recommendations of the study will be of theoretical importance to policy makers, administrators and opinion makers in Nigeria.

1.5 **Scope and Limitations of Study**

The scope of the study covers the cross-examination and analysis of the concept of globalization, and how it affects Nigerian economy in terms of political stability. Periodically the scope of the study spans from 1990-2010.

The study contended with some limitations, in terms of how to reach some of the political office holders sampled for the study and convince them that the research is for academic purpose in order to objectively respond to the interview questions.

All the effort to meet with some of them face to face failed woefully. It was practically difficult to enter any of their offices due to security protocols, and they appeared too busy to grant interview to a research student when they don’t have time even for journalists.

However, the first break through was the contact made with the chairmen of Nsukka local government and through his office we were able
to make phone contact with some of them through which they were interviewed. Others like the state House of Assembly Members were eventually tracked down through the help of the Chairman Nsukka Local Government.
CHAPTER TWO: LITERATURE REVIEW

The literature review is carried out under the following sub-headings:

The Concept of Globalization
The forces of Globalization
Foreign Direct Investment (FDI)
Channels of Foreign Direct Investment
Motives of Foreign Direct Investment
Incentives for attracting Foreign Direct Investment in Nigeria
Overview of political stability

2.1 The Concept of Globalization

Globalization does not lend itself to easy conceptualization being a complex phenomena. As such plethora of literatures and views abound regarding the meaning, character and manifestations of the phenomena. It is multi-dimensional and multifaceted process that encompasses political, economic, social and cultural dimensions that have been variously explained in different terms and contexts.

In this review, emphasis will be more on the political and economic aspect of globalization. According to Akinboye (2008: 2), “Due to its Multivariate nature, globalization does not lend itself to easy conceptualization; and like other concepts in social sciences, it is not
amenable to a single, simple and straight jacket definition, which perhaps explains its various connotations by scholars of different persuasions as internationalization, universalization, liberalization, westernization etc”. Ibrahim (2002: 3) in Akinboye (2008:2), insists that globalization is not a single unified phenomenon but rather a syndrome of processes and activities, which embody a set of ideas and a policy framework organized around the global division of labour and power”. Also, Aina in Akinboye (2008:3), submits that “……… any meaningful and relevant understanding of globalization …. in Africa must go beyond the myths and ideologies of globalization to the confrontation with the diverse but actual processes, how they unfold, their relationships with themselves and other social and economic relations and dynamics. Such an understanding must also recognize not only the complex but varied history of the processes being studied but it must reject a monolithic or homogenized understanding such as that found in the currently neo-libral confrontation of the subject”. The picture Aina, is trying to paint here is that, one’s perception should not be beclouded by the acclaimed universalization of social benefits and economic prosperity by globalization but should understand that, although it appears universal in out-look, its effects and impacts are specific.
In Nigeria and Africa in general, the specific conditions of Globalization, irrespective of signs of minimal benefits are conditions of colonial and neo-colonial domination, exploitation, economic disarticulation and vulnerable polity. It is as such because, “historical reflection point to the immutable fact that before the advent of the Europeans in Nigeria, there exist various strategies for organizing the public affairs of the people as well as ensuring progress and development in their respective areas, Agalamanyi (2009:153)”. It is a one-step forward and two step backward kind of development. This further implies that what globalization is in the developed world is not what it is in south Saharan Africa and other less developed countries of the world. To that extent; there is therefore no unanimity of opinion on what constitutes globalization; neither is there is consensus concerning the extent of its advancement as a concept.

In the same vain for Aina (1997:3). “Globalization is not necessarily the positive happening some authors would have us believe, marking the dissolution of old inefficient structures, agents and order. Rather, it accompanied the economic crisis carrying its own basketful of problems which include problem of economic and social nature, ranging from the collapse of producer prices to increase in unemployment and poverty. The proffered global solution to these problems was the introduction of macro-
economic policies passionately supported by the international fiscal institutions”. For, Khor (2001:1), “the reasons for the negative per caption of globalization include the lack of tangible benefits to most developing countries from opening their economies, despite the well-publicized claims of export or income gains”. The economic losses and social dislocations to which many developing countries have been subject to on account of the rapid financial and trade Liberalization arising from globalization and the perception that environmental, social and cultural problems have been made worse by the workings of the global free market economy substantiates this view. The reality is that despite Nigeria and the rest of Africa being more integrated into the world economy than they were previously, African economies under liberalization schemes for instance, continue to experience marginalization with their levels of per capital GDP being as low as they were in the early 1960’s. (Clark (1995) in Ogbu (2006:33)).

On the other hand, maintained those who see globalization from a positive perspective, observe that the problems of definition and impact have not in any way resulted in diminished usage”. Waters (1995) in Ogbu (2006:33), for example, “understands globalization to be the concept of the future, an idea by which we understand the transition of human society into the third millennium”. In the same order, Ohmae (1995:15), argued that “the
basic fact of linkage to global flows makes globalization the central distinguishing fact of this moment in history”. Therefore, underlying most perspectives of globalization is the perception that it is multi-dimensional phenomena, Mittelman (1996) in Ogbu (2006:33) and that indeed, we may not have one globalization but many globalizations.

Further more; Tandon (2000:56) as paraphrased in Ogbu (2006:34) gave some insight into the historical moorings of globalization. He basically equates globalization in its broadest sense with the movement of history. According to him, throughout history people have moved from food-deficit to food-surplus regions taking with them their families and flocks, sometimes conquering the areas to which they move, some times getting absorbed in them and losing their separate identities. This larger movement of history he considers as the movement of civilization itself, which comes with both negative and positive effects. He sees a positive side to globalization in the spread of cultural pluralism, the development of technology and productive forces, the global awareness of the underlying unity of Humankind, and more recently the partial return to nature as an inherent part of life in all its many forms.

On Ake’s Own conceptual accounts “the process of globalization is many things of course it is about structural differentiation and functional
specialization in the world economy. It is about incremental inter-
dependence, the growing spread and intensity of interactions among nations
and about the nation-state coming under pressure from transnational
phenomena, and so on. The process is complex, ambiguous and
contradictory, Ake (1996:5)

Ake’s view seems to support the fact that globalization reinforces the
existing structural division of labour in the world economy. This partly
explains why globalization pose more threats to Nigeria and entire Africa in
the present circumstance. According to him:

……… globalization is uneven in its impact. It produces
winners and losers. For it is not Hausa that is globalized
but English, not Togolese technology but American and
Japanese. The trajectory of the financial flows which fuel
the global economy is well-known, AKe (1996:6).

Efemini (2003:100), added that, “Globalization creates an efficiency
norm using the instrument of competition. But this process also produces
winners and losers. It creates abstract opportunities for all countries to
compete and develop, while creating concrete situation of domimation”.

In line with Ake’s perception, UNDPs Human development Report
(1999:25), has it that:

“Globalization, a dominant force in the 20th century’s last
decade, is shaping a new era of interaction among nations,
economies and people. It is increasing the contacts
between people across national boundaries-in economy, in
technology, in culture and in governance. But it is also fragmenting production process, labour markets, political entities and societies. So, while globalization has positive, innovative, dynamic aspects – it also has negative, disruptive, marginalizing aspect.”

Other attempts made in conceptualizing globalization includes: Chishti (2001) in Ogbu (2006:34), who defined globalization as the integration of countries into the world economy through increased trade, investment, short – term capital flows and international migration of skilled and unskilled labour”. In Aina’s view, Globalization depicts among others, the transformation of the relations between states, institutions, groups and individuals, universalization of certain practices, identities and structures; and perhaps more significantly, the expression of the global restructuring that has occurred in recent decades in the structure of modern capitalist relations Aina (1997:8). Whilst the above definitions are useful, Ogbu (2006:35) argues that, they are not assertive nor proactive in telling us what globalization is. They are more or less, the description of the process. He maintained that one way of making sense out of the varied attempts at conceptualizing and defining globalization is to do so without being unduly descriptive of the process. From this standpoint, Ogbu, defined “Globalization as basically the challenge of surviving in a global world of unbridled competition propelled by global capital and trade, and advances in
new technologies. This challenge is both to individuals, groups and/or political entities. It is not a question of whether it is negative or positive as a generic term, but rather, the fact that it poses a specific challenge at different levels of human activity. This rationally speaking, requires response in order to ensure one’s survival in the face of globally institutionalized rules of economic and political competition scripted by the powerful nations of the world.”

While other definitions above could be said to be the description of the process of Globalization, that of Ogbu was assertive but narrowed to survival challenge, making globalization an open, equal and common challenge to everyman. Therefore should not be ascribed as negative or positive but depends on the abilities and competencies of the individuals, groups or political entities to overcome the challenges posed by it. Moreover, if the question of “whether globalization is negative or positive is immaterial in conceptualizing the phenomenon, it therefore implies that all participant in the process have equal chances and moderators are not participants. But Ogbu, recognized that the rules of the phenomenon is scripted by the powerful nations of the world, who are also participants”.

The reality is that the competition is not a fair one neither is there a level playing ground for all. The owners of capital and technology (the
developed countries) set the pace. The ownership of technology and capital determines who winners or losers in the competition. In this regard,

“Globalization is a structural and unbridled competition for the acquisition and agglomeration of global and local resources for the ultimate purpose of control, mediated by the force of technology and capital and determined by political mechanism”.

In order words, “Globalization is a new order of control inherent from the old other of control (colonialism)” . Like a coin, with two sides, it has both negative and positive sides. When the negative side is being experienced, it is termed loosing while the positive side is termed winning or gaining. Part of the complexity of globalization is that both the negative and positive sides can be experienced at the same time which the prevailing literatures have not clearly noted. Also is the fact that both the negative and positive sides of globalization can be experience by both developed and less developed countries. The only difference is the degree of impact.

The fact, this section of study seeks to establish is that globalization is a stage in human development, and at every stage of human development, and at every stage of human development, there must be a mechanism of control to prevent disorder, chaos and anarchy. The mechanism whether in the hands of individuals, groups, or political entities must possess economic,
political and technological power in order to enforce control and not necessarily exploitation.

Currently the world development is at the phase of Globalization, there is every tendency that before the end of this century, the world should have entered into another phase. What the phase would look like cannot be designed now but will certainly be better than what we have now and less competitive.

2.1.1 The Forces of Globalization

For further and thorough understanding of the concept, there is the need to reflect on those forces that have propelled globalization processes world over such forces, according to (Usuman & Kwanashie) in Akinboye (2008:5), includes: technological revolution, economic liberalization and democratic system of governance.

Technological Revolution

That the world is currently experiencing phenomenal changes in social, political, economic and technological spheres cannot be disputed. One fundamental instrument for this increasing transformation is technology, especially computer technology, and the evolution of low cost, global communications system which constitute major challenges that will dominate and fundamentally shape developments in the 21st century,
particularly in the economic and financial sectors, Usman (1999:48). The revolution in computer technology, has led to the advancement of information technology which has in turn enhanced the level of information transmission and business transactions across the global system. Indeed, the revolutionary changes that have occurred in computer technology since the latter part of the 20th century have brought about tremendous improvements in all facets of human endeavour.

Today, the use of computers has increasingly become quite commonplace in pure scientific research, social science and especially in managerial decisions. The significance of the strong force of technology can best be illustrated by reference to the financial system. Globalization and information technology have thrown up formidable challenges for national economies, especially the financial system, by reducing the world further into global village, and as well by providing enormous information through a wide range of inter-connectivity. The inter-connectivity (network) of computers has given rise to the development of internet, which constitutes the largest network and largest reservoir of all types of information in the global system.

Furthermore, information technology in particular has combined progress in electronics, telecommunications and computing to bring about a
highly dynamic process of storing, transmitting, processing and presentation of information. This has led to increasing capacity for new and efficient response to antiquated problems. For instance, more efficient production processes are now possible and countries with the necessary capacity are embracing and adopting them in a bid to maintain a competitive edge within the changing world environment, kwanashie (1999:20). Information technology has equally provided tremendous opportunity for the exploitation of economies of scale, making for rapid growth and conferring comparative advantage to those that have access to it. Consequently, it is increasingly, promoting the internationalization of productivity and markets, which is crucial to the globalization process.

**Economic Liberalization**

One dynamic and fundamental force in contemporary globalization process is economic liberalization, which has been embraced by virtually all countries and major international institutions within the global system. Economic liberalization refers to the process of achieving unobstructed economic activities. It seeks to remove all obstacles to trade, production and investment, emphasizes freedom of economic activities and dominance of private enterprises; and aims ultimately at the divorce of the state from the economy. Onyekpe (2001: 52). At the global level, economic liberalization
attempts to make all economics fully open for free inter-penetration and inter-state access.

Issues relating to the forces of economic liberalization are generally more complicated and not as obvious as in technology. In pursuit of economic Liberalization, the global system is polarized into various groups. In one group are the industrialized (G8) countries that work intimately with the world financial (IMF, World Bank) and Trade (INTO) institutions, and pursue a broad and ambitions agenda that attempt to build international capitalism on the foundations of open world trade and capital flows, privatization, balanced budget, freeing up of exchange controls and similar deregulation and liberalization measures, Usman (1999:52).

In another group are the “Asian-Tigers’ who have, through economic liberalization process, achieved unprecedented growth in their fragile economies. The countries, in addition to economic liberalization, have used other policy instruments to expand foreign Direct investment (FDI) and attain higher economic growth. These include developing a strong production base; opening up of new investment areas, as well as designing and implementing sound macro-economic policies. They have also created a conducive climate and stable political and economic environment to attract foreign investments. These policy measures have enhanced the expansion of
FDI in the countries, and led to their rapid growth and development. Other groups of countries that have achieved momentous feat as a result of economic liberalization include the transition economies of the Eastern Europe as well as the Latin American countries. It can therefore rightly be said that no country in contemporary world can really be an island unto itself, either due to its vibrant economic strength e.g. United State or because it decides to close its doors to the outside world like china successfully did in the past. The critical message of globalization in this context is that in the existing moment of integration of global markets, Nigeria and other developing nations have little choice but to try and join the globalization train despite of their disadvantaged position in the process, Akimboye (2008:7).

**Democratic System of Governance**

The third major force of globalization in contemporary world is the general acceptance of democratic forms of governance. In modern political system, democracy is the preferred system of governance. This is in view of its relationship to good governance with its inherent feature including rule of law, democratic participation, probity, integrity, and transparency. It is also preferred because it posits and insists that power springs from, and therefore belongs to the people and that those who exercise power should use it in the
interest of the people, or at least, the majority of the people, Yusuf (1994:113). In addition, democracy demands unequivocally that while the majority should rule and even in most cases, have its way, the minority must be able to have its say, and its say must be listened to while its rights must be respected and protected. Preference for democracy also springs from the fact that it demands that people should be availed equal opportunities to participate in the administration and decision-making machinery of the state; and that there should exist a free, fair and independent judiciary; equality of all before the law; supremacy of the law; and fundamental human rights for the people.

While in time past, there has been anti-democratic tendencies and suppression of democratic rights of the people, the pendulum is at the same time swinging in favour of democracy and democratic governance. Democracy, although varied in form, has in contemporary global system, become widely accepted as the form of governance that advances the interests and aspirations of the majority of the people. “This is underscored by the failure of various authoritarian regimes including the erstwhile military and civilian dictatorships in many parts of the world, as well as the collapse of the communist system that provided for usurpation of power by a
small clique of bureaucrats over everyone else in the society,” Usuman (1991:54).

Having successfully reflected on the three main forces of globalization, it is obvious that economic liberalization is the nexus of the linkages, inter-penetration and interconnectedness of one nation to the other, via the element of FOREIGN DIRECT INVESTMENT and mediated by the force of technology and political mechanism. Sequel to the potency of Foreign Direct Investment (FDI) to either create stability or instability, within an economy, it has become imperative to examine its dynamics.

2.1.2 Foreign Direct Investment (FDI)

Foreign direct investment (FDI) is a measure of foreign ownership of productive assets, such as factories, mines and land. Increasing foreign investment can be used as one measure of growing economic globalization. FDI is investment in productive assets, not financial assets. It does not include short-term flows of money, such as portfolio investments and foreign exchange dealings, World Bank (2001).

After world war II, when many colonized countries gained independence, officials in the new governments believed that foreign investment, foreign ownership of production, was neocolonialism, a continuation of colonialism in economic form. Acting on these ideas, many
governments of newly independent countries nationalized foreign owned industry. This meant that the factory, mine or other enterprise were taken over and run as a state enterprise, (http://ucatlas.ucsc.edu/fdl/fdl.html).

In recent years, recognition of the low productivity of state enterprises has contributed to the reversal of the trend toward nationalization. Many state enterprises have been privatized, thereby paving way for neo-colonial control and domination.

There is now consensus among governments of industrialized and non-industrialized countries that foreign direct investment is desirable, even essential, for economic growth and poverty reduction (http://ucatlas-ucsc.edu/fdi/fdi-hmt). How realistic this assertion is to Nigeria and other African countries that lacks technological initiative remains to be proved. Moreso, Holger & Greenaway (2004) in Ajayi (2006:3), “insist that FDI can affect growth and development by complementing domestic investment by facilitating trade and transfer of knowledge and technology”. This statement also poses the question of possible transfer of technology which is a central force to the business of globalization. In this regard, Efemini (2003:156), has this to say;

Technological self-reliance has far reaching implications for the economy of any country. In the first place, it enhances control and self-reliance of the country concerned. The importance of control and self-reliance in
the economy of any nation is clear. The point is that Nigeria’s dependence on foreign technology exposes her economy to manipulation by foreign interest. Imagine what will happen to Nigeria’s economy if the multinational companies operating in the country withdraw their technology”.

Ajayi (2006:3), maintains that “the positive role of FDI is peculiar to environment”, which suggest that the negative role is equally particular to environments. Saliu (1999: 298), ex-rayed the negative role and implications of F.D.I thus: “the propelling force for investment is surplus value or profit drive. Flowing from this, it sounds contradictory for an investor who has been encouraged to invest in an economy by the prospect of higher returns to sacrifice capital on the platter of developing a country for off from his own native country. What happens in reality is that the more a country attracts foreign investment, the more dependent she is on the source(s) of the production and the more her deepening state of underdevelopment”. “Capital has no human face and the only language it understands is that of exploitation. At a theatrical level, it may be assumed that foreign investors inject capital into an economy. But in reality, they do not bring any thing into an economy. What they do is that they easily raise capital within an economy given the neo-colonial orientation of third world counties, only for them within a short period, to be declaring super profits and thus engaging in repatriation of capital which in turn worsens the balance of payment
equilibrium that they were in the first instance expected to ameliorate, Obasanjo (1991: 2-3).

While it may be true that these investors have worldwide marketing networks, it is certainly wrong to assume that they can ever make these outlets available to their host counties without a consideration for profit. This is why in some countries the entire economy is crucially dependent on transnational investors. National budgets cannot therefore be independently prepared unless foreign investors submit their estimates on the resources found in their host countries, Okolo (1987).

2.1.3 Channels of FDI

According to Ajayi (2006:3) there are three channels through with FDI brings about economic growth:

The first is through the release it affords from the binding constraint on domestic saving. In this case, foreign direct investment augments domestic savings in the process of capital accumulation. Second, FDI is the main conduit through which technology transfer takes place. The transfer of technology and technological spillovers lead to an increase in factor productivity and efficiency in the utilization of resources, which leads to growth. Third, FDI leads to increases in exports as a result of increased capacity and competitiveness in domestic production.
Besides the channels of FDI are the driving motives of FDI.

2.1.4 Motives of FDI

The literature on FDI identifies at least four motives for firms to invest across national borders, UNCTAD (1998). These are:

1. **Market-seeking investment**: Seeks access to new markets that are attractive because of their size, growth or a combination of both.

2. **Efficiency – seeking investment**: It aims at taking advantage of cost-efficient production condition at a certain location. Important factors that are taken into consideration are the cost and productivity levels of the local workforce, the cost and quality of infrastructure services (transportation, telecommunication), and the administrative costs of doing business. This motive is predominant in sectors where products are produced mainly for regional and global markets and competition mostly based on price (such as textiles and garments, electronic or electrical equipment, etc) and not on quality differentiation.

3. **Natural-resource seeking investment**: Seeks to exploit endowments of natural resource. Naturally, the production and extraction of the resources is bound to precise location, companies usually choose locations on the basis of differences in production costs.
4. **Strategic-asset seeking investment:** Is oriented towards man-made assets, as embodied in a highly qualified and specialized workforce, brand names and images, shares in particular markets, etc. Increasing, such FDI takes the form of cross-border mergers and acquisitions, whereby a foreign firm takes over the entire or part of a domestic company that is in possession of such assets.

In reality, these motives are seldom isolated from one another. In most cases, FDI is motivated by a combination of two or more factors.

**2.1.5 Incentives for Attracting Foreign Investors in Nigeria**

The concern at this Juncture, is to discover the extent to which Nigeria have relaxed the trade and economic regulations in attempt to woe foreign investors and on the other hand make the economy vulnerable to foreign capital.

Factors of history and the orientation of elite in Nigeria have made the goal of attracting foreign investment constant in the country’s efforts at managing her national economy, Toyo (1996:33). It is instructive to note that all the development strategies ever adopted in the country have carved out a major role for foreign investors. In the main, various regimes of incentives adopted to attract foreign investment, among others include:
A. the state since the adoption of the structural adjustment programme in 1986 has oscillated between a deregulated and what Abacha in 1995 called guided deregulation, all in attempt to make the national economy attractive to foreign investors. Choji (2011:1) added that:

“over the years, successive government right from the time of General Babangida in 1985 who first removed the first subsidy have been subjected to one deregulation after another. Nigerians have lost count of the number of times government has deregulated the oil sector. The masses are yet disappointed that the Good luck administration that many innocent Nigerians died for would turn, around for another deregulation in the oil sector”.

The oil sector serves a good specimen for this research, because of its centrality to Nigerian economy and contending vested interests: foreign interest, government interest, public (citizens) interest and the interest of oil producing communities. One other important item in terms of deregulation is the establishment of a floating exchange rate. The Naira is now allowed to determine its correct value through the interchange of supply and demand. This situation had long been the request of foreign investors in Nigeria.

B. Following the dissatisfactions of foreign economic players in the country, the industrial development coordination committee was established in 1989 to serve as a stop gap in the process of approving new business in Nigeria. The time permitted by law was 60 days. However, under the new investment
promotion Decree of 1995, the investment formation commission only takes 14 days to approve the establishment of new businesses. This new arrangement attends to the cries of foreign business concerns on the excessive bureaucratic controls on the way of new business, Walker (1991).

C. One attraction for foreign investment is the existence of a favourable policy on capital repatriation. Essentially, foreign investors take their decisions on over sea’s investment on the basis of their expected returns. Therefore, any trace of restriction on capital repatriation is frowned at. In this connection, “the Exchange Control Act of 1962 as well as other restrictions on the way of capital repatriation have been removed. These days, foreign investors are only to conform with routine procedures in repatriating capital which enjoys no ceiling, Saliu (1999:300). Further statistics on the incentives and fiscal measures approved by the government that favour and encourage investment in the oil and Gas free zone includes:”

- 100% of capital and profit;
- No foreign exchange regulation;
- No pre-shipment inspection for goods imported into, the free zone;
- No expatriate quota;
- Initial tax holidays period has been extended from 3 to 5 years;
• Investment capital allowance has been increased from 5% to 15%;
• All dividends distributed during the tax holiday shall be tax-free, etc, (www.google.com).

D. Another form of incentive in place is the sacking of the initial preference for participation of Nigerians in some sectors of the economy through the enterprises promotion Decree of 1989 and the Investment Promotion Decree of 1995. foreigners are now free to invest in virtually all sectors of the economy, etc.

Going by the investment incentives, it is obvious that the oil sector have attracted the highest volume of FDI being the most dominant sector of the Nigerian economy. According to World Bank 2006 index of economic freedom report,

“the oil sector accounts for about one third of annual GDP, but provides over 70 percent of federal government revenues and 90 percent of exports”.

The lure of Globalization and the issues of poverty are part of the main drivers of FDI in Nigeria, legitimate questions are been asked about its importance to Nigeria’s political and economic development, Malu (2006:2). The World Bank reports also states that Nigeria is one of the largest recipients of FDI to Africa, and most of the FDI are mainly concentrated in the oil and mining sectors, which accounted for about 36 percent of gross
fixed capital formation (World Bank Index, 2004). Indeed, the huge population of Nigeria, market size (as Africa’s investment nerve centre) and abundant natural resources proved extremely attractive to foreign investment in the oil sector where both fiscal and monetary policies were influenced to enhance the operation of the multinational corporation (MNCs) for sustained exploitation of the economy, irrespective of possible socio-economic and political imbalances it might create, Malu (2006:3).

At this juncture, it is expedient to have an overview of what political stability is all about, its elements, the relationship between political stability and economic stability and in due course try to establish link factors between FDI in the oil sector and political stability in Nigeria.

2.1.6 Overview of Political Stability

The problem of political stability that is, the dilemma of how to secure enduring, legitimate political order – has long been the focus of much philosophical discourse and debate, Shaun (2000:1). If we, “rechristen the problem of stability as the problem of order ……… we can immediately recognize it as a central focus of political philosophy in all periods’ Barry (1995:880) in Shaun (2000:1)”.

Stability is the fundamental public good. It is not just a domestic public good. It has become an international public good. The nations and peoples of the world are concerned
about instability in one country or one region, Nnamani (2010).

Just as earlier observed in this study that globalization is a mechanism of global control to ensure global political and economic order and not necessarily exploitation or domination. This implies that there is a reasonable link between globalization and political stability of countries. However, it appears that while the globalizers (Developed Countries) are experiencing more orderliness, the recipient countries ie (less developed countries) are struggling with various forms of crisis ranging from political, social, economic, environmental and cultural crisis.

For, Thomas Hobbes (1968: 196) in Shaun (2000:1), the need for political stability was paramount: without political stability there could be no security for either life or liberty, and thus man’s existence could never be anything more than a chaotic, violent and bloody struggle for power-a condition of war of every man-against every man”.

It is based on this fact that political precedence was placed over economic precedence earlier on in this study ie political stability is a necessary condition to achieve in order to realize economic stability. However, sustainable political stability is dependent upon realistic economic stability. In fact they are inseparable, one reinforces the other and vice versa.
According to Abdulrasheed (2007:190), political stability is viewed as “a condition of steadiness and firmness of political institutions and processes within the political system as well as absence of threat to an existing pattern of authority and behaviour, then it could be reasoned that political stability especially in plural society is a function of several society factors within the entity. These include the extent of polarization and opposing tendencies within the entity and the extent of adaptability of the government system to management of these divisions. It need be stressed that, while a situation of absolute stability may not be attainable in any society, relative stability of all organs as well as general acquiescence to rules is quite essential for the state to achieve its desired end”.

This definition speaks volume, when placed side by side with Nigerian state which since independence had consistently be threatened by the challenge of fear of ethnic and tribal domination, inept leadership, corruption and failure of good governance. It is as a result of this fact that Nigeria is believed to be a capitalist creation borne out of economic concern of Britain and that’s the only justification for wielding or amalgamating vast and distinct regions that has no historical affinity. Therefore, the “question of stability” is inherent from the creation of the Nigerian state.
In light of this discussion, Rampha (1979:xix) in Abdulrasheed (2007:205), asserted that,

“for a federation to be able to resist failure, the Leaders and their followers must feel federal-they must be moved to think of themselves as one people with one common, self-interest-capable, where necessary, overriding most other considerations of small interests …… “the good” for any must be consciously subordinated to or compatible with “the good for all”. This then is tantamount to an ideological commitment not to federation only as a means .....but ……as an end, as good form of its own sake, for the sake of answering the summons of history”.

In a more specific sense, in 1948, the late prime minister of Nigeria, Sir Abubakar Tafawa Balewa was reported to have affirmed in the legislative council that:

“since 1914 the British has been trying to make Nigeria into one country, but the Nigerian people themselves are historically different in their backgrounds, in their religious beliefs and customs, and do not show themselves any sign of willingness to unite .....Nigerian unity is only a British intention for the country”. Okoli (2003:23).

Also in 1947, Chief Obafemi Aqolowo wrote:

“Nigeria is not a nation. It is a mere geographical expression. There are no “Nigerian’s” in the sense as there are “English”, “Welsh” or “French” the word “Nigeria” is merely a distinctive appellation to
distinguish those who live within the boundaries of Nigeria from those who do not”.

In addition, the political stability of any form of government has to involve the stable realization of the political essence of that form of government, for instance, commenting on the idea of political stability in Nigeria, Usuman (2000:5),

“the political stability of a communal gerontocracy in villages and small towns headed by elders under an age grade system means the continuation of the exercise of power by those who have reached the appropriate age at various levels of the system. The political stability of a feudal Monarchy means the continuation of the exercise of power by the heirs of the dynasty or dynasties who produce the monarch. The political stability of the type of democracy provided for in our constitution means the continuation of the exercise of power by those freely elected by the people of this country for specific periods with definite mandates which conform with the fundamental objectives and Directives principles of state policy clearly defined in chapter II of the constitution”.

Therefore, the political stability of our democracy does not mean the stability of the power of any civilian elected to rule anyway they want. There can only be political stability for our type of democracy if those freely elected rule in accordant with the constitution and the principles of democracy such as: rule of law, accountability, transparency, free and fair elections, social justice, adherent to fundamental human rights, fair and
equitable representation, etc, in other words, security and welfare of the people should be the primary purpose of government.

2.4 Hypotheses

1. The absence of indigenous technology brings Nigeria state under the pressure of multinational organizations.

2. Foreign Direct Investment (FDI), compels the Nigerian state to adopt policies that favour the interest of developed countries against the interest of Nigerians.

2.3 Operationalization of the Key Concepts

Globalization, political stability, Economy, multinational organization, foreign direct investment.

Globalization

A new world order of political, economic, social and cultural control inherent from colonialism and propelled by the force of technology and capital.

Political Stability

Relative orderliness within a political system with a correspondent positive economic impact on the citizens.
Economy

This refers to the interaction between production, trade and supply of money in Nigeria.

Multinational Organization

This represent all forms of organizations usually owned by or originated from the developed countries that have business establishments in other countries of the world for the ultimate purpose of profit making and repatriation, and representation of the interest of their home country government in those countries they exist. Here multinational corporations (MNCs) and multilateral organizations are all used in the same sense.

Foreign Direct Investment

The practice or act of acquisition of plants and equipment in a foreign country.

Democracy

This represents a popularly and constitutionally elected civilian government, which represent the will of the majority and diligently upholds the principles of rule of law and fundamental human right.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Location of Study

This study is located in Enugu State, one of 36 states in Nigeria. The state is bounded in the northeast by Ebonyi State, on the North central by Benue and Kogi States and to the West by Anambra State from which it was carved in August 27, 1991. In the South it borders with Abia State. Enugu State has a total land area of 8,022.95 sq kilometers with a population of 2,452,996 persons (National Population commission, 1992) and therefore a population density of 248 persons per square Kilometer, Nweze (2002:3).

3.2 Population of the Study

The population of study is taken from Enugu-North senatorial zone which is the biggest out the three senatorial zones in Enugu state. The zone comprises six local government areas, including: Nsukka Local Government, Uzo-Uwani Local Government, Igbo-Etiti Local Government, Igbo-Eze South, Local Government, Igbo-Eze North Local Government and Udenu Local Government.

3.3 Sample Size

The sample size were purposively drawn from elected political office holders and some retired and serving civil servants who are supposed to have knowledge of what globalization is all about. They include:
The six (6) chairmen of the local governments in Enugu-North
Nine (9) members of the state House of Assembly representing
the six local government in Enugu-North
Three (3) members of the House of Representative and
One (1) member of the senate that represent the zone at
National assembly.
Five (5) retired civil servants and
Five (5) serving civil servants.

3.4 Sampling Technique

The sampling technique adopted for this study is purposive sampling.
The sampling units were purposively selected based on their appropriateness
to the subject of research.

3.5 Method of Data Collection

The two main sources of data collection for this study was primary
and secondary source of data. The primary source of data formed the main
instrument of data collection through the use of personal interview.

The secondary source of data includes: textbooks journals, internet,
etc.
3.6 Method of Data Presentation and Analysis

The data collected from the primary source was entered in a table and statistically analyzed using simple percentage.

The secondary data was analyzed by content.

3.7 Theoretical Framework

The explanatory building block upon which this work is founded is the dependency theory. Dependency theory was for a long time associated with the work of Andre Gunder Frank, though it began with the Marxist Writings of Baran in the late 1950s, and in the structuralist in the 1960s, Saliu (1999: 24). It encapsulates the attempts to explain the global economy as a system of asymmetrical relationships. The central theme of Dependency theory is that, it is the integration of the economics of less developed countries (LDCs) or ex-colonies to the Euro-american capitalist economies that has led to their political and economic woes and that except the LDCs radically de-link or re-order the existing relations between them and the developed countries, they will perpetually remain dependent and exploited. Crucial to the issues of possible de-linkage from the international economic Webb and unfavourable comparative advantage position in the international
division of labour is anchored on Technology and capital. They are the first steps towards realistic political and economic stability, which will give rise to industrialization and deserved development in Nigeria and the rest of LDCs.

In assessing the implication of technology and capital to Nigeria and African’s political and economic development, Efemini (2003:85), has this to say:

“This problems of dependence are closely associated with weak production factors especially in the areas of technology and capital accumulation. The implication of this is that the process of industrialization is very slow in Africa. A continent that is dependent on others for her vital technical needs will necessarily be dependent”.

Ake (1981:92), joins him to assert that, the rigidity of the international division of labour has not allowed African economies to break out of the role of primary producers, for reasons which include lack of access to technology, the comparative advantage of the industrialized nations in manufacturing, and the constraints of domestic market”.

The consequences of lack of sufficient technological knowledge are obvious, notable among them being the dependence of those who have not on those who have. The picture of the relationship that results from the disparity in technological abilities is painted clearly by Ake (1978:17):
“A few countries have managed to acquire monopoly over the two fundamental instruments of labour in the global capitalist system, namely Capital and technology particularly the later which is the decisive instrument of production in the world today. The vast majority of countries, especially the third world countries, lack these instruments of labour and have succumbed to exploitation”.

He adds:

Because of their immense technological dependence, which tends to perpetuate itself, it is hard for African economies to make much progress in the fight against development because they are dependent on the industrialized countries and on the peculiar monopolistic character of the world technology market.

One does not need further evidence to show that Africa is technologically dependent. It requires only a look around and one will simply discover that the challenge one actually confronts is to identify items that are produced with 100% of Nigerian or African technology.

Saliu (1999:24), summarized that, “the ex-colonies (the periphery) are seen as more “satellites”, serving the interest of the “Metropolis” (the industrialized countries) which form the “core” of the global economy. The stronger the economic, political and socio-cultural ties, the greater the degree of domination and exploitation”.
To properly and systematically unravel the numerous intricases of the concept of globalization and political stability in Nigeria, this research is therefore chapter from one to five. Chapter one deals with the background of the concept, statement of the problem of the study, the objectives, significance, scope and limitations of the research, chapter two is centred on reviews of existing literatures and contribution to close any gap in the reviewed literatures, chapter three is on the research methodology adopted for proper and systematic investigation and generalization of facts, chapter four focused on data presentation and discussion of findings while in chapter five the conclusion and summary was made on findings and lastly recommendations on how to stabilize Nigerian political economy.
CHAPTER FOUR: DATA PRESENTATION, FINDINGS AND DISCUSSION OF FINDINGS

4.1 Data Presentation

The date collected from the primary sources are presented as follows:

**Interview Question 1 Table 1**

Do you agree to the fact that the world today is a global community?

<table>
<thead>
<tr>
<th>Category</th>
<th>Options</th>
<th>No. Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political office holders</td>
<td>Yes</td>
<td>19</td>
<td>65.52</td>
</tr>
<tr>
<td>Retired civil servants</td>
<td>Yes</td>
<td>5</td>
<td>17.24</td>
</tr>
<tr>
<td>Serving civil servants</td>
<td>Yes</td>
<td>5</td>
<td>17.24</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>29</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: Personal interview

From the table above, the three category of respondents agree to the fact that the world has become a global village/community which is the fulcrum of this study. As offered by Wallerstein (1992), globalization may be seen as “the first historical system to include the entire globe within its geography. This is made possible through technological power, specifically information technology.
Interview Question 2, Table 2

Globalization widens the gap between “the haves” and “the have not” both locally and globally and therefore, creates crisis. Is that correct:

<table>
<thead>
<tr>
<th>Category</th>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The senator</td>
<td>No</td>
<td>1</td>
<td>3.44</td>
</tr>
<tr>
<td>House of Rep. Members</td>
<td>No</td>
<td>3</td>
<td>10.35</td>
</tr>
<tr>
<td>State House of Assembly Members</td>
<td>Yes</td>
<td>9</td>
<td>31.04</td>
</tr>
<tr>
<td>Local Government Chairmen</td>
<td>Yes</td>
<td>6</td>
<td>20.69</td>
</tr>
<tr>
<td>Retired civil servants</td>
<td>Yes</td>
<td>5</td>
<td>17.24</td>
</tr>
<tr>
<td>Serving civil servants</td>
<td>Yes</td>
<td>5</td>
<td>17.24</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>29</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: personal interview

From table 2, it shows that very significant majority of the respondents 25 (86.21%) agree to the fact that globalization widens the gap between “the haves” and “the have not”. However the contrary view of 4 (13.79%) of the respondents could be as a result of their economic standing
which could have made them to view globalization only from the positive perspective. In support of the majority opinion, the observation of Kofi Annan (2000:6) is germane, …… globalization offers great opportunities, but at present its benefits are very unevenly distributed while its costs are borne by all”. It is the variation in the distribution of the benefits of globalization that widens the gap between “the rich and the poor and as such usually creates tension and conflicts between the two class which some times translate to political crisis that generate insecurity”.

**Interview Question 3, Table 3.**

<table>
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<tr>
<th>Category</th>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>The senator</td>
<td>Yes</td>
<td>1</td>
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<td>9</td>
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<tr>
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<td>Retired civil servants</td>
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<tr>
<td>Serving civil servants</td>
<td>No</td>
<td>5</td>
<td>17.24</td>
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<tr>
<td>Total</td>
<td></td>
<td>29</td>
<td>100%</td>
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</table>

Source: Personal Interview.

Table 3, shows that 55.17% (16) of the respondents were of the opinion that Nigeria can develop indigenous technological base while
44.83% (13) of the respondents are of the view that Nigeria cannot. The slim margin between these opinions are crucial. The implication is that though Nigeria may not be as endowed as the western countries but genuine devotion and determination for technological development can pay off but on the other hand, considering some obvious socio-economic factors such as corruption that has eaten deep into the polity, ethnic chauvinisms etc, it becomes practically difficult, if not impossible to see Nigeria making headway in technological development.

**Interview Question 4 Table 4**

Do Nigeria have what it takes to be a strong member of the global community?

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<tbody>
<tr>
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<td>3.44%</td>
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Source: Personal Interview
Table 4, indicates that 62.07% (18) of the respondents are of the affirmation that Nigeria has what it takes to be a strong member of the global community while the other 37.93% (11) were of the contrary view. The dominant view is premised on the fact that Nigeria has abundant human and Natural resources which are among major factors that makes a nation Great and strong. It is based on this fact that Nigeria is ascribed as the “Giant of Africa”. Unfortunately, the abundance of these resources has not translated to actual economic or political power deserved of such country like Nigerian. It has rather generated financial corruption, embezzlement of public fund better christened as “Lootocracy”, sectional and communal armed violence for resource control, ethnic militias with their continuous and consistent threat of secession to the federal government and general insecurity.

In this table, it appears the minority opinion is more potent and practical in terms of the current political and economic realities in Nigeria.
**Interview Question 5, Table 5.**

Given the borderless nature of Globalization, do Nigeria have what it takes to contain the negative externalities in terms of national security?

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Source: Personal Interview

In table 5, the dominant opinion 62.07% (18) has it that Nigeria do not have what it takes to contain the negative externalities of globalization. It makes the economy vulnerable to infiltration of light arms and ammunitions which promote violence in the country and makes internal security and
control difficult. The detonation of Bombs in the Northern party Nigeria is a common experience today. Tracking the importation of these bombs or where they are made within the country have defied security intelligence.

Worse still, is the reality that an anonymous inspector of police in an interview with “daily sun news paper” October 8, 2011, page 7, admitted to the fact that “Nigerian police do not have the required weapons to confront the menace of Boko Haram, armed robbery, and other security threats confronting them. The same paper, had it on record that in a space of five months, 602 policemen were killed by Robbers and Boko Haram sect.

As a matter of fact, the borderless nature of globalization increases the cost of provision of security and thereby constraining fund for other development initiatives and in this circumstance re-enforcing underdevelopment and poverty in Nigeria.

Moreso, is the fact that it creates room for embezzlement of public fund in the name of security votes.

Assessing the opinion of the other respondents 37.93% (11), re-enforces the fact that globalization polarizes a society in relation to economic privileges and that persons of economic or political affluence relatively enjoys more security than the ordinary citizens.
If not, it is unthinkingable for anybody in Nigeria at this critical stage in our political history to maintain that Nigeria currently contains the externalities of globalization.

**Question 6, Table 6**

Nigeria’s oil dependent economy generates instability, is that correct?

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Source: personal interview

From table 6, the overwhelming opinion of the respondents, 28 (96.59) has it that the dependence of Nigerian economy on oil generates
instability. Oil accounts for more than 90% of Nigeria’s national income, Effemini (2003:162) and as such the beehive of multiple interests – the Niger – Deltans whom the oil is found on their soil, multinational corporations for business and profit and federal government for revenue generation. The oil dollar will continue to generate conflict not until there is a genuine commitment both by the multinational corporations and federal government to massively develop the oil producing communities and Nigeria in general, and moreso properly diversify the economy and shift attention from oil.

The centrality of oil in Nigerian economy makes it that anything that touches the oil sector, touches the length and breath of Nigeria. Oil remains the hot and volatile spot for Nigerian economy, therefore government and oil corporations must thread with caution in terms of fulfilling their corporate social responsibilities to the host communities and government declining from harsh policies that favour the interest of multinational corporations against that of Nigerians as a way of redressing the past and charting a course for the future.

What is crucial here is to strike a balance between morality and necessity. Most of the major political crises in time past and now is linked to oil resource. Not until justice is done to the disbursement and investment of
oil revenue for genuine infrastructural and human development in Niger Delta and Nigeria as a whole, oil resource will keep sparking on political crisis in Nigeria.

Of worthy to note and also the reason for which oil generate instability is the fact that, the multinational corporations represent the interest of their country more than their host country. They are most times used to influence the policy outcomes in Nigeria which pitch the citizens against the government, for instance is the ongoing saga of policy proposal for the removal of fuel subsidy. Unfortunately, oil sector attracts the highest percentage of foreign investment.

On the other hand, the infinitesimal contrary view of 3.44 \% (1), suggest the fact that the eminent political class in Nigeria politicize almost everything and that is why we make one step forward and two backward in our developmental process.
Question 7 Table 7

Given the domination of Nigeria economy by FDI, does it generate instability?

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Source: personal interview

Driving from table 7, the popular opinion 86.21% (25) agree to the fact that the domination of Nigerian economy by FDI, generates instability. Foreign Direct investment in Nigeria and African context implies neo-colonial instrument of control of external economies in this globalization
era. It amount to domination and exploitation of Nigerian economy due to lack of indigenous technological development.

The contrary opinion of 13.79% (4), though critical to the study disagree with the popular opinion on the account that without foreign technology Nigeria would not be able to adequately exploit its natural resources. Therefore, the domination and exploitation is a necessary evil which will stop or be abated when Nigeria, develops the technological capacity to independently exploit its economy.

**Question 8, Table 8**

Is Nigeria under the siege of globalization?

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Source: personal interview
Table 8 indicates that the dominant opinion 96.56% (28), affirms to the fact that Nigerian economy is under the siege of globalization. The borderless nature of globalization and its principle of economic liberalization made this possible, consequent upon Nigerian’s lack of indigenous technology which necessitates the influx and dependence on foreign technology.

The contrary and minor opinion of 3.44% (1) can best be ascribed as being patriotic or the necessary implication of globalization for LDCs which is subject to change.

**Question 9 Table 9**

Does Nigerian government reasonably perform its responsibilities to the citizens?

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Source: personal interview
Table 9 shows that the greater opinion 65.5% (19) maintain that Nigerian government reasonably perform its responsibilities to the citizens irrespective of the daunting challenges of globalization while the contrary opinion 34.48% (10) insist that Nigerian government do not. A critical look at the table seems to indicate that the responses are with inclinational bias. The political office holders responded in the same direction as well as the civil servants (retired and serving). Be that as it may, Nigeria government has not credibly performed well especially in the area of security.

**Question 10, Table 10**

With the mounting challenges of public corruption, can Nigeria maximize the benefits of globalization?

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<td>29</td>
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</table>

Source: personal interview.
Table 10, unequivocally indicate that corruption is a syndrome that no one denies of in Nigeria. As such 29 (100%) responded in affirmation that Nigeria cannot maximize the benefits of globalization without minimizing corruption to the barest minimum.

Therefore, the federal government must as a matter augency address the issue of corruption as a first step to wards genuine development.

4.2 Findings

Obvious from the responses of the three categories of respondents interviewed for this study and reviewed literatures is that the world has become a global community.

Before now, globalization was eulogized as the final solution for the eradication of human misery and poverty and possible universal prosperity. But it was a matter of time for people, institutions and nations to realize that, it is a new would order of political, economic, social and cultural control inherent from colonialism. The differences were only in nomenclature and mechanism of operations.

Therefore any country being at advantageous or disadvantageous position in the global community is dependent on the following factors:

i. Technological sophistication

ii. Strong capital base
iii. Political might and

iv. Relative security

It is the absence of these factors and in addition to dependence on oil and foreign direct investment (FDI) and corruption that makes Nigeria to be on the loosing side of the global resource competition.

4.3 Discussion of Finding

4.3.1 Technological Self-Reliance

From the responses in table 2, one factor has been conspicuously recurrent and that is technology. This implies that among other requirements, technological development is central to becoming a strong member of the global community without which a country is classified as weak, dependent and therefore politically and economically vulnerable to the forces of globalization.

It is mainly on technological count that individuals, groups and countries benefit or loose in the processes of globalization. Efemini (2003:156), summed the implication of the absence of indigenous technology thus:

Technological self-reliance has far reaching implication for the economy of any country. In the first place, it enhances control and self-reliance of the country concerned. The importance of control and self-reliance in the economy of any nation is clear. The point is that Nigeria’s dependence on foreign technology exposes her economy to manipulation by foreign interests. Imagine what will happen to Nigeria’s
economy if the multinational companies operating in the country withdraw their technology.

4.3.2 External Influence

Driving from question 3, table 3, what makes a country a strong member of the global community includes strong capital base, technological sophistication and political might. Giving these requirements, Nigeria do not currently reflect any of them. Reasons abound, Efemini (2003:158), have crafted them thus:

The Nigerian economy is hardly under the control of the local leadership. This problem has its roots in the colonial economy. The dependence on foreign markets and on imported technology has aggravated matters. Nigeria has made attempts in the past to deal with this problem without much success. In 1972, the Gowon regime promulgated the Nigerian enterprises promotion Decree. . The Decree divided enterprises into two categories: One exclusively for Nigeria, and the other in which foreigners could participate under defined conditions. In 1977, the Obasanjo regime also tried to bring the economy under the control of Nigerians through its Nationalization Policy. The policy insisted that a greater share of all companies operating in Nigeria must belong to Nigerians, the government even participate in buying share and acquiring ownership of firms, especially in the oil sector while this measure can be said to have promoted the participation of the indigenous capitalists in the local economy, the question of control was not resolved in their favour. Production still relied on imported technology and capital. Nigerians were reported to have received money from foreign owners of the firms only to serve as nominal owners. Those who were able to raise the required capital still preferred to work with their foreign counterparts because of access to technology and perceived superior management skills.
One negative impact of dependence on the foreign development community is the fostering of an exogenous development agenda on Nigeria.

4.3.3 Relative Security

Human security Network in Ofuebe & Chikeleze (2009:185) observed that human security means freedom from pervasive threats to people’s rights, their safety or even their lives.

In consonance with responses in question 4, table 4, no country can successfully make progress or gain stability without adequate provision of security, when security fails; of course the state as well fails or tilts towards failure.

The spate of suicide bombing in Nigeria today is an indication that the state at present is confronted by survival challenge, following the manifest signs of failure of security intelligence.

In these same vain, Dhanapola (2001) in Ofuebe & Chikeleze (2009:181), maintained that “an aspect of globalization that posed challenge to state sovereignty deals with the cross border exchange of negative externalities like environmental pollution, risk of international pandemics, thriving clandestine market for arms, component of weapons of mass destruction, narcotics and even illicit transfers of various forms of industrial wastes”. The free flow of these variable with increasing volume and velocity
within and across Nigerian borders challenge the ability of the state to control what crosses its borders and affects it’s ability to effectively control activities within the state boundaries. The current global world order informs that most states cannot presently control the barrage of these factors that critically affect the performance of its functions as sovereign states, Ofnebe & Chikeleze (2009:182).

4.3.4 Nigeria’s Dependence on Oil Resources Generates Instability

More to the fact concerning oil resources and political instability in Nigeria, Malu (2006:5), provided this fundamental documentations.

Historically, Nigeria has abundant oil reserves beneath the seafloor, and the knowledge of these untapped natural resources prompted the civil war, political instability and the secession of Biafra Republic from Nigeria, Pearson (1967:137). The awareness and Production of crude oil was not the only factors responsible for the civil war, but oil may very well have been the extra ingredient that finally precipitated the military conflict.

Oil is a sensitive resource to Nigeria because it accounts for more than 90% of Nigeria’s national income between 1970 till date. According to Efemini (2003:162),

“The point is that the reliance on oil has meant the neglect of other sectors, which should not have been the case. It has also produced an internal dependency syndrome, which has weighed down on the economy. The basic practice in Nigeria now is for states and local governments to wait for money from the federation account before doing anything. The dependence on oil in
a sense means we do not have an economy in which the people’s energies are put to optimum use. The oil sector is not developing enough to employ all those who need employment and there is no reason to believe the situation will change in the future”.

From Efemini’s account, it is obvious that the high rate of Unemployment, poverty, crime, political violence and instability in Nigeria is traceable to dependence on oil.

4.3.5 Dependence on Foreign Direct Investment

Dependence on foreign direct investment (FDI) generates instability in a country especially in a situation of absence of indigenous technology.

Nigeria’s dependence on FDI is a direct result of dependence on oil which of all other sectors attracts the greatest percentage of inflow of foreign investment. The reality of this pathetic development is that Nigerian economy is at the mercy of foreign capital. Due to this fact, government sometimes blindly adopt policies that impoverish the masses but serves the interest of foreign capital. The adoption structural adjustment programme by Babangida’s regime serves a good example; the brooding and eminent crises between Nigerians and GoodLuck Jonathan’s administration over fuel subsidy removal is another instance.

Pinder (2007) in Ofuebe & Chikeleze 2009:190), gave a good account of this experience thus:
“The government of poor countries like Nigeria has been under severe pressure to maximize exploitation of its resources and to forgo environmental laws in order to attract foreign investments. These states are becoming increasingly less autonomous from the interest of capital, and the interest of state and multinational corporations appears to have become synonymous. The effect is that the state is pressured to maintain and promote private business interest within its political arena and to remove any hindrance that threatens the flow of capital and its access to the markets. Capital has not only framed the state’s agenda, but also exerts significant influence over the range of political outputs.

With the implementation of the structural adjustment programmes initiated by the IMF and World Bank, these poor countries have no choice than to accommodate and grant privileged position to foreign investment on lucrative terms as well as provide security guarantees to global capital. This results in situations where national policies and practices have been adjusted to the exigencies of the global economy, Ofuebe & Chikeleze (2009:191).

4.3.6 Corruption:

Corruption has been identified as inimical and destabilizing to any socio-economic system be it the developed or developing countries. Unfortunately it is a major factor that weakens Nigerian political and economic system and inhibits the country from maximizing the benefits of globalization. It is not a surprise that corruption and corrupt practices is mentioned and advertised everyday both in the print and electronic media as part of our natural life. Saliu (1999: 151), noted that, “no matter how richly endowed a country might be, corruption can be a clog in the wheel of economic progress and development. This is moreso in developing counties like Nigeria where corruption reflects in all their national fabrics, be it social, economic, political, cultural or technological”.
CHAPTER FIVE: CONCLUSION SUMMARY AND RECOMMENDATIONS

5.1 Conclusion

This study can best be illustrated as a “Basket full of important items and of all the items, you need only one of them that is essential and peculiar to the problem you desire to solve and the item is not readily selected. Therefore, one have to search through the basket in order to locate the particular item needed”.

Generally and before now, Globalization have always being magnified by writers as complex, ambiguous and monstrous phenomenon not easily amenable to conceptualization and definition. Though this view is not out of context but it has been over amplified.

This work have successfully simplified and narrowed down the understanding of globalization as a new world order of political, economic, social, and cultural control inherent from colonialism, and more so, a stage in human development with its odds and benefits, and among its various dimensions and elements, singled out and established a relationship between foreign Direct Investment and Political instability in Nigeria. This is to say, that Globalization Creates stability and as well instability. Therefore, the
onus is on Nigeria and every other country to maximize its benefits and minimize the odds.

Following the dynamics of globalization relative security is a necessary condition Nigeria must achieve without which it cannot attract the benefits of globalization. Diversification of the economy, and internally generated development initiative are also necessary conditions that must exist for Nigeria to maximize the benefits of globalization.

5.2 Summary

No doubt globalization has tremendous potential benefits for Nigeria and indeed any developing country. The challenge is to realize the potential benefits without incurring huge offsetting costs in loss of the ecological basis for development and in the increase of inequality and impoverishment of the populace, Olayode (2006:26).

As earlier noted, the requirements to attract the benefits of globalization includes:

- Technological sophistication
- Strong capital base
- Political might and
- Relative security.
In addition to Nigeria Circumstance is:

- Committed and good leadership
- Eradication of corruption and
- Mass literacy
- Diversification of the economy and endogenous development initiative.

Nigerian government and policy makers should see globalization as a means to an end and not an end in itself. The real end being sustainable well-being for Nigerians and as such should not sacrifice the well-being of Nigerians for the capitalist interest of developed countries and their multinational agents in the pursuit of the objectives of global economy but should go after those objectives that are in line with National interest. This implies that as Nigerian government implement the conditionalities of IMF/World Bank, it should be in consonance with economic circumstance of the country to prevent political tension and crisis. Whether privatization or deregulation, it should be done objectively with the well-being of Nigerians as the ultimate aim. On the whole this study navigated from the conceptualization of globalization to economic liberalization as nexus of global economic integration and foreign direct investment as a vector of political instability in Nigeria.
5.4 Recommendations

States under foreign siege resulting from a globalized economy can hardly exercise their sovereignty, Ofuebe & Chikeleze (2009:195). The recommendations here, are therefore made based on the assumption that Nigerian economy is under the siege of globalization. The recommendations of this study are two-fold: one is proffering solutions to discourage the undesirable effects of globalization while at the same time encouraging the positive side of it. The immense input of Ofuebe & Chikeleze (2009) in these recommendations cannot be ignored.

1. Development of technological Base of Nigeria: Technology is central to attracting the benefits of globalization, the absence of which subjugate a country to the whims and caprices of the global economy, in other words makes the state dependent. The first step for Nigeria to extricate its self from being a dependency state to becoming a major player in the global arena is to develop local technological base. According to Ogbu (2006:49), “this is not possible without a functional science and technology architecture, in which the iron and steel sub-sector, has pride of place. There is therefore, the need to make better use of the stalled Ajaokuta Integrated Steel Plant, which would serve to resurrect the Aladja Steel Plant, and other rolling mills at Oshogbo, Jos, and Katsina. Though Global Infrastructure Holdings Limited
(GIHL) of the Mittals Group, a global player in the steel industry has taken over the management of the Ajaokuta Steel Company, there is still a need for the Nigerian government to maintain a close monitoring of the progress of this company, and even the Delta Steel company, Aladja, which is also under the mittal Group. This is because the iron and steel industry is a critical sector in Nigeria’s quest for industrialization”.

2. Nigeria and other developing states that bear the brunt of globalization need to create strong regional blocks that wield strong economic and political power. This will enhance their negotiating power in the international arena and make it possible for them to have strong representation in multilateral institutions that determine the direction of events internationally. Politically, they are likely to influence the direction of interest more favourable in the international community if they form sturdy political blocks that would have strong voices in the international fora. The western states have developed politically so much that the developing nations cannot stand shoulder to shoulder with them in determining the course of events in the global scene. The control of international organizations that chart the course of globalization such as the WTO, UN, World Bank and IMF is the exclusive preserve of developed nations, membership of Nigeria and some developing nations notwithstanding. To
check these imbalances in a global society and its negative effect on Nigerian economy and other developing states, presenting a strong regional front will enhance the exercise of self-determination by these developing states that are currently subjugated to the dictates of developed nations.

3. In view of the current international division of labour, federal government should diversify the economy to agriculture and provide subsidies to farmers since Agriculture in exception of oil, constitute the main output of Nigerian economy. The sector will be able to absorb mass of unemployed youths which will enhance socio-economic and political stability.

4. Against the prescription of deregulation, federal government should regulate the economy until such a time local producers become strong enough to face international competition without playing subservient roles. Removal of subsidies and deregulation of Nigerian economy as usually prescribed by IMF and Would Bank is a panacea that generates more poverty than wealth. This step will stem the assault of imported commodities including “tokunbo” that outsell locally produced goods and impoverish local producers thereby creating a weak economic base that must depend on imported commodities.
5. Priority should be on investing and providing of quality education and employment as a way of empowering Nigerians and building human capacity for survival challenges imposed by globalization. More so, the impact of global forces on vulnerable groups, the unemployed, underemployed, unskilled, women and children must be addressed by the government through proper public planning and providing social safety nets as a way of maintaining some modicum of legitimacy and respectability, which invariably ensures social and political stability.

6. Good Governance: Nigerian government should meet the political conditionalities of democracy and transparency in governance by which the confidence, support and fellowships of Nigerians can be worn and reduce the tendency of frustration and political instability. In this regard Haass (2005) in Ofuebe and Chikeleze (2009:184) adds that:

A government that lacks the capacity or will to provide for the basic needs of its citizens will forfeit its sovereignty. That reflects not just moral scruple but also a hard-headed understanding that neglect-benign or otherwise-can generate destabilizing refugee flows and trigger state failure, which creates opening for terrorists…..

The fact here is that the failure of government to live-up to its responsibilities is an invitation to instability, it might not be immediate but will certainly happen, if there is no change.
7. Minimization of corruption and corrupt practices: corruption is not peculiar to any country, the difference is in degrees. In the case of Nigeria, it has become a worrisome factor in our national life, worse still, is the fact that Nigeria at a time was rated the second most corrupt nation in the world after Bangladesh by transparency international. Despite the introduction of different anti-corruption agencies such as Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practices Commission (ICPC) by Obasanjo’s civilian administration, corruption has remained on the increase especially among politicians, bureaucrats and established private institutions.

Therefore, the first step towards a genuine development of any kind in Nigeria can only begin by first drastically reducing corruption.
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