

Globalization, Urbanization and Rural Development: The Nigerian Experience

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Abstract

Globalization has brought increase in the world interdependence in last two decades plus, as many countries are benefiting from increased cross-border trade and investments while many others suffers because economic sectors are inefficiently managed and this weakness reduces their capacity to successfully complete globally. Urbanization and Rural development are antidotes for Nigeria to really key into the globalization process. The expansion in the proportion of population living in urban areas where all modern infrastructures are reduce rural-urban migration. This paper examines the interfere among Globalization, Urbanization and Rural development at it affects Nigeria. It argues that global interconnectedness has engendered development in the world but that the developed countries benefit the more due to their rapid growth of information technology, solid capital for investment and productive economy unlike Nigeria and other developing countries which are yet to benefit much on globalization due to mono-cultural nature of her economy, lack of effective information technology, inability to connect rural areas to the rest of the world among others. The paper suggests an aggressive rural development productive economy and democratization of Nigeria's governmental sector as a way out.

Keywords: Globalization, Urbanization, Rural development, Economy, Democracy

I.) INTRODUCTION

The interconnectedness of nations of the world in terms of economy, technology, cross-border trade and investment has been of the increase in the last two decades plus, thanks to globalization but Nigeria as a third world country and the most populous country in Africa is yet to benefit fully from globalization due to her mono-cultural nature of economy, low ebb stage of her technology, less urban centers and many rural communities.

Though, globalization has some key advantages which Nigeria can avail of herself in order to be out of her present poverty, unemployment and insecurity. Globalization is creating a borderless world where every countries of the world will increase integration of national economy create a global market place in which free markets, investment flows, trade and information technology. It is believed that globalization seek to improve interconnectedness between and among nations through a systematic integration of autonomous economies into a global system of production and distribution, it also seeks to eliminate trade barriers through unfitted integration and interaction of global capital labour thereby leading to an unhindered exchange of goods and services across border.

As many developed countries of the world are benefiting from globalization through increased cross border trade and investments, with the aid of technology Nigeria and other developing countries suffer its implication because of their unproductive and mono-cultural economies, the inability of her rural areas to connect to the globe and its lack of improvement in information technology. This paper seek to examine the conditions under which Nigeria can benefit from globalization i.e. in the areas of increased trade, capital flows, higher economic growth, technology know how, urbanization, rural development, poverty reduction, employment provision, security among others.

It is our view that globalization offers a lot of goodness and benefits to developed nations as they are well positioned for it in terms of their advanced technologies, diversified economy and well planned and mapped urban cities while Nigeria as a third world country is yet to take advantage of globalization and not well prepared for it. At present, the structure of the Nigerian economy and a host of other factors like urbanization, rural development, low level of technology, insecurity, unemployment will make it unlikely for Nigeria to derive substantial growth and benefits from global economic integration. The Nigerian economy is today described as prostrate, characterized by collapsing productive structures, rising levels of unemployment, poor performance of major infrastructural facilities, inflation among others. This paper primarily intends to examine whether globalization is beneficial to Nigeria or otherwise. Following this introduction, the rest of the paper is structured as follows: Section II, discusses conceptual discourses and theoretical issues. Section III appraises the globalization and Nigerian experience so far, while section IV and section V makes recommendation and concludes the paper.

II.) CONCEPTUAL DISCOURSES AND THEORETICAL ISSUES

Globalization: The term globalization like most terms in social sciences does not have a definite definition but it has acquired considerable emotive force in recent time. It has become a moving train that can not be stopped. Some view it as a beneficial key to future world economic development and also inevitable, while others see it with hostility, believing it increases inequality within and between nations, threatens development and living standards and retards social progress. According to the Oxford English dictionary (7th Edition). The word globalization was first used in 1930 to denote a holistic view of human experience in education, and since then it has inspired numerous competing definitions in the areas of communication, trade, economy, transportation and technology. However, globalization is usually recognised as being driven by a combination of economic, technological, social-cultural, political and biological factors.

United Nations Development Programme (2011) defined globalization as a multidimensional process of unprecedented rapid and revolutionary growth in the extensiveness and intensity of interconnections on a purely global scale. This manifests itself in various forms such as in the globalization of democracy, global ideological shift, global technological revolution and particularly through information and communication technologies (ICTS); globalization of culture and the environment, and above all, globalization of the economy.

Ojo (2003) views globalization as a phenomenon that reflects the increasing interaction among persons and institutions across the globe, these interactions permit all facets of human endeavour, thus globalization is multidimensional spanning economy, political, cultural and social activities.

Adeyemi (2003) defines globalization as an economic revolution of the new millennium in which the world is shrinking into a global village in part by advances in information and communication technology (ICT). Capital globalization to him has been responsible for the integration of national systems of production and finance whose enhanced mobility ensures that borrowers such as governments and private entities compete with each other for capital in global rather than national markets. Economic globalization is a historic process, the result of human scientific innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. It can also refer to the movement of people (labour) and knowledge (technology) across international borders. Main features of globalization include interconnection of sovereign countries through trade and capital flow; harmonization of the economic rules that govern the relationship between these sovereign nations; creating structures to support and facilitate dependence and interconnection; and creation of a global market place.

Globalization is a multi-dimensional concept with transnational, business undertones, political and socio-economic. Other theorists of globalization articulate that globalization is demonic, exploitative and they see it as the internationalization of capitalism accompanied by the perpetuation of exploitation and domination of individuals, societies and sovereign nations by others. To Wallerstein (1974), he noted that the driving force for global integration is restless capitalist expansionism. He posits that the ability of purely material exchanges to move beyond a local nexus hit its limits by the end of 19th century and then got transformed into political exchanges like colonial expansionism, alliance system, global war, super power arrangements. To him, a similar transformation of political system into symbolic exchanges is the present trend. That the capitalist world economy has seen the need to expand the geographical boundaries of the system as a whole.

Urbanization: Urbanization in Nigeria is an age long phenomenon and can be traced to when tribes began to found permanent settlements, when they began to domesticate animals and cultivate crops which enable them to stay in one place, raising their own food which created a material surplus, which fed some people within food production and allowed them to build shelters, make tools, weave cloths and take part in religious rituals. The definition of an urban area is different from one country to another, and we can say that there is no generally acceptable definition of an urban settlement but features and characteristics like the presence of infrastructure facilities, job opportunities, well planned road network, industrial and technological advancement, etc. can make us term a settlement as an urban centre. A city is generally defined as a political unit organized and governed by an administrative body. Defining an urban area in terms of its residents, the United Nations defines settlements of over 20,000 people as an urban area and those with over 100,000 as cities.

The United States defines an urbanized area as a city and surrounding area with a minimum population of 50,000 people who are socially and economically integrated.

Urbanization is an evolutionary process of redistributing human population within a given society and also a way of transforming many patterns of social, economic and political life towards satisfying the development needs of man. Breeze (1966) defines urbanization as a process of becoming urban, moving to cities, changing from agriculture to other pursuits that are common to cities and corresponding changes of behavioural patterns. It is a general term associated with population size, densities, economic functions or the life in a city including the context of political behaviour and socialization. The concept of modernization in urbanization explains the structural and institutional process of transition from traditional methods of production to modern and advanced methods of production or ways of life.

The concept holds that the modernization of cities or states through economic development encourages the pursuits and advancement of social and political development. Hood (2004), argues that there cannot be urbanization without industrialization. This implies that economic activities or industrialization provides the institutional mechanisms for the growth and dynamics of urbanization, therefore, the more industrialized a city is the more urbanized it becomes.

The modernization school of thought adopted two analytical tools in explaining urbanization which are evolutionary approach and the functionalist approach. The evolutionary approach emphasizes that social changes that stimulate urbanization are unidirectional, progressive and gradual. The evolution is irreversible as rural primitive stage advances to high level of modern urban based society, while the functionalist approach reveals that as society proceeds towards modernization, systematic and transformative changes take place giving rise to change from traditional values to modern ones: Hence, the growth towards urbanization is made possible by advancement in technology and industrialization based economic activities and values. Urban bias is another conceptual approach relevant to the study of urbanization in Nigeria. The concept is of the view that the development of new cities are due to political persuasions, issues rather than economic reasons (which can make Nigeria to gain from globalization). Here, emphasis on urban development have shifted from its economic perspective to political dynamism, the rapid increase in population of urban centers in Nigeria is a function of the intentional bias of policy makers and politicians in the process of authoritative allocation of values, unlike global urban centres controls international finance and with much economic power, they command global investment and the concentration and accumulation of capital which aid economic and trade globalization, Nigeria's political urban cities does not enjoy these rather they are to protect properties of the political office holders. In a nutshell, the urbanization process refers to much more than simple population growth like we have in many Nigerian cities; it involves changes in the economic, technology, trade, social and political structure. The rapid growth of cities strains their capacity to provide services such as electricity, education, health care, transportation, sanitation and physical security. For Nigeria cities and urbanization process to keep and enjoy from globalization, it must result and contribute to industrialization, technological advancement, create new job opportunities. Concentration of investments in cities can only aid globalization by creating a large surplus Labour Force, which can attract foreign investment companies from developed countries.

Rural Development: Development is a problematic concept as it is used in many different ways including political, economic and social. In Okobiah's (1984) view, development involves a process of economic, political and social change in a progress direction towards a better social well being for the member of the society. It is a process of improving the living conditions, standards and circumstances of people both directly and indirectly. Development also involves harnessing of the resources for the realization of their major objectives, solving their major problems. This connotes that, development from the foregoing consist of activities required in improving the attitudes and potentials of people.

Adeniyi (1995) sees development from social perspective as the process through which the patterned network rules and institutions are modified in the course of time, that is, it refers to the process of transformation of the ways of life and structures of society over-time. Development also refers to the general standard of living of the people of the society, it is the attainment of ideals of modernization such as the rise in productivity, social and economic equity, improved institution and values.

Rural development at times is used interchangeably with modernization; it is a process of developing villages, towns or suburbs to become urban cities where all social amenities shall be provided to aid economic growth and tame rural urban migration. It connotes the industrialization, increased trade and economic activities, technological advancement and security of rural areas to be at par with urban cities. The provision of facilities and utilities such as good roads, irrigation facilities, agricultural machinery, technological tools, storage facilities, modern markets, etc, are also means of rural development. The absence of these facilities in most Nigeria rural areas are downplayed by the policy makers who create higher standard of living in the urban cities with deepening poverty crisis in the rural areas, resulting in the creation of disparity between urban and rural areas. The result is that the rural dwellers out of frustration and poverty tend to migrate to the urban areas in search of better standard of living, facilities and job opportunities. Therefore, the rural-urban migration in Nigeria is a product of intentional bias in the authoritative allocation of values.

III.) GLOBALIZATION AND NIGERIAN EXPERIENCE: The Journey so far

Nigeria is correctly the most populous nation in the continent of Africa. It boasts a total of over 160 million people within its territory. Nigeria as a developing country keyed into globalization drive but the nature of her productive economy and level of technology does not give her room to enjoy it to a greater extent. Since last five decades, Nigerian economy has undergone fundamental structural changes which did not result in any appreciable and sustained economic growth and development. The economy, which was largely at a rudimentary stage of development at the first half of the present century, started experiencing some structural transformation shortly after her independence in 1960. Agriculture was the core of Nigeria economy in the 1960s and early

1970s and the oil boom of 1973/1974 brought new dimension into the economic activities of the country which make her involve in external trade, but the sharp drop in the international oil price in the 1980s make Nigeria economy to be at the verge of collapse. Then the Breetonwoods institutions (major proponents of globalization) introduced the Structural Adjustment Programme (SAP) to Nigeria in July, 1986 to lay a solid foundation for self reliant and dynamic economy; but Nigeria's economy problems still persist due to internal and external imbalances cum the undue dependence on oil which brought the adjustment at the first instance.

Between 1962 and 1985, Nigeria implemented four national economic development plans all revolving around the increased in the real income of the average cities even distribution of income among individuals and socio-economic groups and reduction in the level of unemployment. Since Nigeria returned to civil rule in May, 1999, many economic policies has been embarked upon in a bid for it to truly enjoy from the benefits of globalization, such as deregulation of petroleum and other sectors of economy, trade liberalization, privatization and commercialization and public enterprises yet Nigeria economy is yet to tap the gains of globalization.

It is observed that the gains of globalization is eluding Nigeria because of her low technological base, unproductive nature of economy and less drive at urbanization. Nigeria need to rapidly develop her technological base to enable her creates a global production chain and distribution networks. It makes it easier for countries and companies to integrate their subsidiaries as well as build their ties with suppliers and customers. The use of technology not only facilitate working across boundaries of border but also changes old systems for mass production of standards products, it facilitate rapid flow of capital worldwide as well as making the global market a reality, since international trade and financial transfer can be done in a few second.

Nigeria economy also needed to be productive and move away from rent seeking one, diversification in term of production is also required of her economy. Nigeria economy must focus on manufacturing sector, small and medium businesses development and produced goods for exports which represents an injection of financial rewards as gains of globalization as it will enable Nigeria to break into the global market.

Nigeria is yet to gain much from globalization because she is yet to become a productive economy which will enable her to lunch into global market and make much gains through her improved technologies and urbanization.

IV.) MODEL BUILDING

In other to access the interconnectivity between globalization, urbanization and rural development in Nigeria, we specify a linear model of the form;

$$OPEN = f(URBAN, RDEVT)$$

Where OPEN is a proxy for globalization and it is the degree of openness of Nigeria to the outside world and it is defined as total exports plus total imports expressed as a percentage of the GDP, URBAN is the proxy for urbanization and it is defined as the ratio of urban population with the total population, while RDEVT is rural development and we used improved water source in the rural areas as a proxy for rural development. All the data were sourced from the World Bank Development indicators and the data is from 1960-2012.

V) RESULTS AND INTERPRETATION

Dependent Variable: - OPEN

Variable	Coefficient	Std. Error	T-Statistic
C	-4.647	6.298	-0.737
RDEVT	0.842	1.084	0.777
URBAN	1.401	0.516	2.714***
R-Squared = 0.640 F-Statistic = 44.53			
DW-Statistic = 0.743			

Note: *, **, * indicates the coefficient is statistically significant at 10, 5 and 1 per cent level of significant**

In interpreting this regression result three criterions were used in accessing and testing the reliability of the coefficients and they are, the theoretical A-priori criteria, statistical criteria (also known as the first order test) and the econometric criteria (also known as the second order test).

The result shows that urbanization is statistically significant at 1 per cent level of significance, while rural development is statistically insignificant. This shows that urbanization is a significant factor influencing the level of globalization in Nigeria and conversely, rural development is not a major factor influencing the level of globalization in Nigeria.

Concerning the signs of the parameter estimates, all the variables are in conformity with the theoretical a-priori expectation, we found that rural development and urbanization are positively related to globalization, this implies that an increase in rural development and urbanization will lead to increase in the level of globalization in Nigeria.

The results further revealed that a unit change in urbanization will bring about 140 per cent increase in level of globalization, and a unit change in rural development will lead to about 84 per cent increase in

globalization.

The coefficient of multiple determination which shows the goodness of fit of the model revealed that about 64% of the variation in globalization are explained by the variations in the explanatory variables. The remaining 36 percent are factors which affect globalization but were not included in the model.

The *F*-statistic which is a test for the joint significant of the explanatory variables on the dependent variable is statistically significant at the 1 per cent level of significance. The value of the estimated Durbin-Watson statistic of 0.743 indicates the presence of auto-correlation. In sum, we can conclude that globalization have a significant impact on urbanization and rural development in Nigeria.

VI.) POLICY RECOMMENDATIONS

For Nigeria to enjoy the gains of globalization, the following are recommended:

- ❖ Nigeria government should take corrective measures and embrace policy changes to move away from mono-economic to diversified and productive economy, where agriculture, manufacturing, etc, will be use to compete with oil for Nigeria to have what she can trade on in the global market.
- ❖ Development of human capital is another area for Nigeria effective participation in a globalized economy as it demands skilled, technologically well-developed and informed personnel to trade and transact in the global market.
- ❖ Nigerian governments should adopt the fundamental objectives and policies for good governance. This ensures rapid urbanization, rural development, rule of law, productive human and labour relations, people oriented policies and democratization.
- ❖ Adequate attentions and promotions should be giving to small and medium scale industries in order to trigger the much-needed industrialization and productive economy needed to enjoy globalization.
- ❖ Infrastructural development and power / electricity generation and distribution is another task that will make Nigeria to be a globalized compliance country as power remaining a major and critical element in economic development and also ensures uninterrupted technology functionality.

Liberalization and production of finished goods, exportation of raw materials will make Nigeria enjoy gains of globalization as it enriches bilateral arrangement on trade, enhances efficient allocation of resources and reduces wasteful subsidies as a liberalized economic environment promotes and stimulates techniques for enhancing production and accelerates economic growth.

V.) CONCLUSION

The paper has established that globalization has brought much increase in trade, economy and technology among nations of the world and that developed countries that have developed robust economy and produce for external trade with solid technology base benefit more from cross-border trade and investment, that Nigeria is yet to tap the gains and profits of globalization because her economic sectors are not effectively managed, that for her to successfully compete globally urbanization and rural development must be taken seriously, urbanization is believed contributes to industrialization, new job opportunities and technological development while rural development is very important to Nigeria to enable most of its rural communities to be connected to other part of the world and tap from the gains of globalization. Rural development is an important factor upon which the dimensions of development of Nigeria rural communities are based, which involves the transformation of the rural communities into a socially, economically, politically, educationally, technologically, orderly, and materially desirable conditions, with the purpose of improving the quality of life of the rural population (Jibowo, 1992). Rural development and urbanization are seen as antidotes for Nigeria to enjoy the gains of globalization.

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