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Nigeria: Managing the Challenges of Globalization

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Abstract
This paper explores Nigeria: Managing the Challenges of Globalization. The focus of this paper centers on the recognition of the existence of a global environment that is deeply embedded in interdependency and the necessity for Nigeria to manage the challenges of globalization while harnessing whatever are its opportunities for growth and national development. The study is basically an exploratory analysis and it examines globalization: nature and dimensions, drivers of globalization in the modern world, opportunities provided by globalization to Nigeria/the world, the challenges posed by globalization and the management of these challenges.
Keywords: Globalization, Managing, Challenges, Globalization of Production, Globalization of Trade, Financial Integration.

1. INTRODUCTION

The phenomenon of globalization is a multi-dimensional and multifaceted process that encompasses political, economic, social and cultural dimensions that have been variously explained in different terms and contexts. Thus, viewed from a general perspective, the notion of globalization is broad and diverse and can be classified into three dimensions/clusters; globalization as implying global culture, globalization as the expression of the global political order, and globalization as depicting a global economy. In this regard, globalization is generally the process of growing interconnection and interdependence in the modern world. It is generated by growing economic, cultural and political cooperation and links, as well as by the need to respond together to global problems which can be solved only on a planetary scale (Symonides, 1998: 28).

However, globalization as implied in this paper refers to the integration of national economies through trade, production, and financial interaction. It refers to the shift toward a more integrated and interdependent world economy and has two main components; production, trade and investments integration, and financial integration. Globalization of the world's goods and services markets through production/trade liberalization and the removal of barriers to international business and trade by countries in the quest to operate within the framework of the multilateral trading system was a major impetus for the acceleration of globalization of trade. Integration in trade was followed and facilitated by foreign direct investment flows between countries that were involved in trade relations. A subset of globalization which has become very pervasive and, in some cases destabilizing is financial markets integration across the globe. Financial globalization was propelled by the advances in information technology that facilitated interactions among financial concerns in different parts of the world. Within seconds, financial transactions involving large sums of money could be concluded

In view of this, over the past two decades, world output has been expanding and many countries are benefiting from increased cross-border production (outsourcing/production sharing), trade and investments. Many others suffer because economic regimes are inefficiently managed, and this weakness reduces their capacity to successfully compete globally (Schneider and Enste, 2002).

The events in the past decade in the global economy suggest a challenge; the utilization of the opportunities engineered by globalization while at the same time managing the challenges it poses, for developing countries particularly Nigeria. Scholars like Dani (1999), David (1997) and Salimono (1999) are of the view that globalization opens opportunities, while others such as Awake (2002) and Gary (1998) express fear about globalization. However, Rugumamu (1999: 3) is of the view that globalization is not merely a buzzword; rather it is a new strategy in international business relations which apparently signals the triumph of capitalism on a truly global scale following the end of the cold war, the collapse of the Soviet system and the dissolution of planned economies, particularly in Eastern Europe. Scholte (2000) lends credence to this observation by seeing globalization as de-territorialization or rather as the spread of supra-territoriality. He opines that the phenomenon constitutes a transformation in the spatial organization of social relations and transactions.

Nevertheless, it is the fear anticipated by the people of the world about globalization that in December 1999, a meeting of the World Trade Organization (WTO) held in Seattle Washington, D.C. USA was interrupted by riot. The demonstrators feared the effects of globalization on the people and on the planet. Since that time, anti-globalization movements have spread across the globe. It is however observed that advocates of globalization hail it as the panacea for most of the world's problems.

It is therefore, against this background that this paper explores Nigeria: Managing the Challenges of Globalization. Thus, the analysis in this paper is focused on the recognition of the existence of a global environment that is deeply embedded in interdependence and the necessity for Nigeria to manage the adverse effects/challenges of globalization while harnessing whatever are its benefits/opportunities for national development.

2. GLOBALIZATION: NATURE AND DIMENSIONS

In its most generic and broadest sense, globalization consists of three dimensions; globalization as implying global culture, globalization as the expression of the global political order, and globalization as depicting a global economy. In this sense, Symonides (1998: 28) is of the view that globalization is generated by growing economic, cultural and political cooperation and links, as well as by the need to respond together to global problems which can be solved only on a planetary scale. Scholte (2000) supported this view point by seeing globalization as de-territorialization or rather as the spread of supra-territoriality. He opines that the phenomenon constitutes a transformation in the spatial organization of social relations and transactions. This observation has found prodigious research and intellectual support in Aina (1996) who posits that globalization depicts the transformation of the relations between states, institutions, groups and individuals; the universalization of the world into a new and all inclusive social pattern.

Another way to look at globalization is that it is the integration of national economies through trade, production, and financial interaction. This type of globalization is known as economic globalization, and this paper subscribes to this view point of globalization. In this regard, globalization refers to the shift toward a more integrated and interdependent world economy and has two main components; production, trade and investments integration {i.e. the globalization of production, trade globalization (the globalization of the markets for goods and services), and the globalization of investments}, and financial integration {i.e. the globalization of the financial markets or the financial system}. Viewed from this perspective, globalization entails the intensification of cross-border production (outsourcing/production sharing), trade and increased financial and foreign direct investment flows among nations, promoted by rapid advances in and liberalization of communication and information technology (Islam, 1999; Aninat, 2002). Globalization in this sense, conjures a borderless world with greater economic integration that enhances the living standards of people across the globe.

The globalization of production refers to the tendency among firms to source goods and services from locations around the globe to take advantage of national differences in the cost and quality of factors of production (such as labour, energy, land, and capital). By doing so, companies hope to lower their overall cost structure and/or improve the quality or functionality of their product offering, thereby allowing them to compete more effectively. Another term for the globalization of production is outsourcing or production sharing. For instance, Boeing's latest commercial jet airliner, the 777 contains 132,500 major component parts that are produced around the world by 545 suppliers. Part of Boeing's rationale for outsourcing so much production to foreign suppliers is that these suppliers are the best in the world at performing their particular activity. The result of having a global web of suppliers is a better final product, which enhances the chances of Boeing winning a greater share of total orders for aircraft than its global rival Airbus. Boeing also outsources some production to foreign countries to increase the chance that it will win significant orders from airlines based in that country.

The globalization of markets in goods and services is facilitated by investments integration, i.e. by foreign direct investment inflows between countries that were involved in trade relations. It thus refers to the merging of historically distinct and separate national markets into one huge global market place. It has been argued for some time that the tastes and preferences of consumers in different nations are beginning to converge on some global norm, thereby helping to create a global market place (Levitt, 1983: 92- 102).

Nevertheless, financial integration or rather the globalization of financial markets facilitated interactions among financial concerns in different parts of the world and this was propelled by the advances in information technology. Within seconds, financial transactions involving large sums of money could be concluded. Moreover, the markets for financial assets from Nigerian treasury bills to Eurobonds and futures on the Nikkei index serves a universal need the world over.

Thus, international mobility of capital, resulting from advances in communication technology and liberalization of financial markets has intensified as the world economy witnesses the unleashing of market forces. Deregulation of domestic markets, their opening to competition, privatization and the retreat of the state from economic management are also features of the current globalization trend/global order.

3. DRIVERS OF GLOBALIZATION

Three main powerful forces that propel globalization in the contemporary world business environment are; economic liberalization, technological revolution and democratic system of governance.

3.1 Economic Liberalization

The first force that propels the globalization process in the contemporary world is economic liberalization, which has been accepted by virtually almost all countries and major international institutions within the global system.

Economic liberalization is simply seen as the process of achieving unobstructed economic activities. It seeks to remove all problems 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 economies fully integrated and open for free inter-penetration and inter- state access.

Another term for economic liberalization is the declining trade and investment barriers. Many of the barriers to international trade took the form of high tariffs on imports of manufactured goods. The typical aim of such tariffs was to protect domestic industries from foreign competition. One consequence, however, was the "beggar thy neighbour" retaliatory trade policies with countries progressively raising trade barriers against each other. Ultimately, this can depress world demand and may contribute to depression as can be seen in the Great Depression of the 1930s. Consequently, having learned from this experience; after World War II, the advanced industrial nations of the West- under US leadership- committed themselves to removing barriers to the free flow of goods, services and capital between nations. This goal was established in the treaty known as the General Agreement on Trade and Tariffs (GATT). Thus, under the umbrella of GATT, there have been eight rounds of negotiations among 130 member states- designed to lower barriers to the free flow of goods and services. The most recent round of negotiations known as the Uruguay Round, was completed in December, 1993. The Uruguay Round further reduced trade barriers; extended GATT to cover services as well as manufactured goods; provided enhanced protection for patents, trademarks, and copyrights; and established the World Trade Organization (WTO) to police the international trading system.

In addition to reducing trade barriers, many countries have also been progressively removing restrictions to foreign direct investments (FDI). Many countries have made changes in legislation governing FDI, and some 95% of these changes involved liberalizing a country's foreign investment regulations to make it easier for foreign companies to enter their markets.

Nevertheless, in the course of economic liberalization, the global system is divided into various groups. In one group are the industrialized (G8) countries that work closely with the world financial institutions (IMF, World Bank) and trade institutions (GATT, WTO). These countries together with these institutions target a broad and ambitious agenda that attempt to build international capitalism on the foundations of open world trade and capital flows, privatization, balanced budgets, freeing up of exchange controls and similar deregulation and liberalization measures.

In the other group are the "Asian Tigers" and some of the members of the Association of South-East Asian Nations (ASEAN) who have through economic liberalization process achieved unprecedented growth in their fragile economies. These countries, in addition to economic liberalization have used other policy instruments to expand foreign direct investment (FDI) and attain higher economic growth.

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. Also included are the African States (including Nigeria) most of which have suffered tremendously from extreme poverty and lack of policy focus.

3.2 Technological Revolution

The fact that the contemporary world is currently experiencing tremendous changes in economic, social and political 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 opportunities and 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. The significance of the strong force of technology can best be illustrated by the financial system. In this regard, advances in information technology have facilitated interactions among financial concerns in different parts of the world, and within seconds, financial transactions involving large sums of money could be concluded.

Furthermore, in addition to developments in communication technology, several major innovations in transportation technology have occurred since World War II. In economic terms, the most important are probably the development of the commercial jet aircraft and super-freighters and the introduction of containerization, which simplifies transshipment from one mode of transport to another. Thus, the advent of commercial jet travel, by reducing the time needed to get from one location to another, has effectively shrunk the globe. Containerization has revolutionized the transportation business, significantly lowering the costs and time of shipping goods over long distances.

3.3 Democratic System of Governance

The third major driver of globalization in the modern world is the general acceptance of democratic forms of governance. In the contemporary world, democracy is the preferred system of governance. This is in view of its relationship to good governance with its inherent features including rule of law, democratic participation, probity, integrity and transparency. Democracy is also preferred because it is rule by the consent of the ruled, and it entails that those who exercise power should use it in the interest of the people, or at least, the majority of the people; although the minority must also be able to have its say. Thus, democracy, although varied in form, has in the contemporary global system become widely accepted as the form of governance that advances the interests and aspirations of the majority of the people. Nevertheless, some countries like China, and North Korea are not practicing the democratic system of government, but these countries, especially China have imbibed most of the democratic ideals of deregulation and liberalization of the economy to boost their competitiveness in the global economic system.

4. OPPORTUNITIES PROVIDED BY GLOBALIZATION

Globalization has positive effects which are the opportunities provided by the process. The positive effects or benefits are numerous, but the most important include; increase in world output and trade, which in turn is enhanced by the increase in FDI flows, and a better and efficient global financial system encouraged by the technological revolution. Other opportunities provided by globalization include; increased specialization and efficiency, better quality products at reduced prices, economies of scale in production (all encouraged by the globalization of production and globalization of markets through technological revolution), competitiveness and technological improvement and increased managerial capabilities.

4.1 Increase in World Output and Trade

The increase in world output and trade are among the opportunities provided by globalization. In this sense, since globalization encourages production/trade liberalization and the removal of barriers to international business and trade, it has encouraged an increase in world output and trade. Nigeria as a nation has also seen an increase in its output and foreign trade since the advent of globalization. The increase in world output and trade made possible through globalization ensures that consumers derive the best satisfaction since the best standards of quality are maintained through specialization and competition. Thus, more efficient production processes facilitated by the technological revolution are now possible and countries with the necessary capacity are embracing and adopting them in a bid to boost their competitiveness. However, it should be gleaned from table 1 that the structure of world trade between 1985- 2000 did not favour Sub-Saharan Africa including Nigeria by the fact that the developed countries have become active in developing tariff peaks and escalations against goods from Sub-Saharan Africa. Thus, inspite of the openness of the economy, external trade performance by Nigeria has not been encouraging as table 2 shows.

Table 1: The Structure of World Trade in Major Export-Product Categories, by Region 1985 – 2000 (%)

	Primary Products		Manufactures Based on Natural Resources		Manufactures not Based on Natural Resources	
	1985	2000	1985	2000	1985	2000
Developed Countries*	38.0	40.4	68.7	68.2	81.9	66.8
Central and Eastern Europe*	0.8	3.6	1.4	5.2	0.6	2.4
Developing Countries*	61.2	56.0	29.8	26.6	17.5	30.8
East & South- East Asia	10.4	9.5	8.4	11.7	10.8	22.6
Latin America & Caribbean	12.5	13.2	7.0	6.5	2.6	4.6
Middle East & North Africa	21.4	20.9	4.9	3.9	0.8	1.1
South Asia	1.2	1.2	0.8	1.4	0.6	1.0
Sub- Saharan Africa	5.4	4.3	1.7	1.3	0.4	0.2

Based on three year average for 1985 (1984- 1986) and two- year average for 2000 (1999- 2000).
*These three regions add up to 100% for each export category
Source: UNCTAD (2002a), World Investment Report, 2002: Transnational Corporations and Export Competitiveness, Geneva: United Nations, p. 148.

Table 2: Foreign Trade of Nigeria 1985- 2001 (billions of Naira)

	Imports		**Exports**		**Total Trade**		**Balance of Trade**	
Year	**Oil**	**Non-Oil**	**Oil**	**Non-Oil**	**Oil**	**Non-oil**	**Oil**	**Non-oil**
1985	51.8	7,010.80	11,223.70	497.10	11,275.5	7,507.90	11,171.9	6, 513.7
1986	913.9	5,069.70	8,368.50	552.10	9, 282.4	5,621.80	7, 454.6	4, 517. 6
1987	3,170.10	14,691.6	28,208.60	21.52	31,378.7	16, 843.6	25, 038.5	12, 539.6
1988	3,803.10	17,642.6	28, 435.40	2,757.4	32, 238.5	20, 400.0	24, 632.3	14, 885.2
1989	4, 671.60	26, 188.6	55, 016. 80	2, 954.4	59, 688. 4	29, 143. 0	50, 345. 2	23,234. 2
1990	60, 731	39, 644. 8	106. 626.5	3, 259.60	112, 699.6	42, 904.4	100, 553.4	36, 385.2
1991	7,595. 30	79, 424. 9	116, 858. 1	4, 677. 3	124, 453. 4	84,102.2	109,262. 8	74,747. 6
1992	19, 937. 20	125, 974. 2	203, 292. 7	3, 973.3	233, 229. 9	129, 947.5	183, 355. 5	122, 000.9
1993	41, 329. 30	124, 771. 1	213, 778. 8	4, 991. 3	255, 108. 1	129, 762. 4	172, 449.5	119, 779. 8
1994	423, 949. 6	120, 439. 2	200, 710. 2	5, 349	243, 059. 8	125, 788. 2	158, 360. 6	115, 090. 2
1995	155, 825. 9	599, 301. 8	927, 565. 3	23, 096. 1	1, 083, 391.2	622, 397. 9	771,739.4	576, 205. 7
1996	162, 178. 7	400, 447. 9	1, 286, 215. 9	23, 327. 5	1,448, 394. 6	423, 775. 4	1,124, 037.2	377, 120. 4
1997	166, 902.5	678, 814. 1	1, 212, 499. 4	29, 163. 3	1,379, 401. 9	707, 977. 4	1,045, 596. 9	649, 650. 8
1998	175, 854. 2	661, 564. 5	717, 786. 5	34, 070. 2	893, 640. 7	695, 634. 7	541, 932. 3	627, 494. 3
1999	211, 671. 3	650, 836. 0	1, 169, 508. 5	19, 498. 0	1, 381, 179.0	670, 334. 0	957, 837. 2	631, 338.0
2000	51, 317. 4	121, 740. 8	565, 652. 7	6, 197. 40	616, 970. 00	127, 938. 3	514, 335. 3	115, 543. 4
2001	61, 258. 1	248, 802. 2	495, 021. 1	6, 602. 5	556, 280. 3	255, 404.7	433, 764. 1	242, 199. 7

Source: Central Bank of Nigeria Statistical Bulletin (Various Issues), Abuja: Central Bank of Nigeria; Central Bank of Nigeria Annual Report and Statement of Accounts (Various Issues), Abuja: Central Bank of Nigeria.

4.2 Increase in FDI Flows

Integration in production and trade, i.e. increase in world output and trade is followed and facilitated by foreign direct investment flows between countries that were involved in trade relations. In other words, globalization provides opportunities for increase in FDI flows between and among countries thus boosting further world production (output) and trade. The increase in FDI flows have been further facilitated by an efficient and better financial system engendered by the technology revolution. The rapid advance in technology and telecommunications has reduced the cost associated with foreign portfolio and direct investments. Thus, without moving from one location to another, a foreign investor could rapidly deploy funds across the globe with the aid of telecommunication facilities. These increases in FDI flows facilitated the growth in world trade and global output by increasing the international mobility of capital and ensuring efficient use of technological and other resources in the production process. Nevertheless, reductions in transport and communication costs, capital account opening, financial market deregulation and privatization of state enterprises have combined to create a favourable environment for increased FDI (capital) mobility (Fisher, 1998: 164).

Table 3: Foreign Direct Investment Inflows by Host Region (Million Dollars and %)

Host Region	Annual Average						
	1990- 1995	1996	1997	1998	1999	2000	2001
World	225, 321 (100)	386, 140 (100)	478, 082 (100)	694, 457 (100)	1,088, 263 (100)	1, 491, 934 (100)	735, 146 (100)
Developed Economies	145, 019 (64. 4)	219, 908 (57. 0)	267, 947 (56. 0)	484, 239 (69. 7)	837, 761 (77. 0)	1,227, 476 (82. 3)	503, 144 (68. 4)
Developing Economies (Nigeria Inclusive)	74, 288 (33. 0)	152, 685 (39. 5)	191, 022 (40. 0)	187, 611 (27. 0)	255, 140 (20. 7)	237, 894 (15. 9)	204, 801 (27. 9)
Central & Eastern Europe	6, 014 (2.7)	13, 547 (3.5)	19, 113 (4.0)	22, 608 (3. 3)	25, 363 (2. 3)	26, 563 (1.8)	27, 200 (3.7)

The Figures in Parentheses are in Percentages
Source: UNCTAD (2002a), World Investment Report, 2002: Transnational Corporations and Export Competitiveness, Geneva: United Nations, pp. 303- 305.

However, FDI inflows to Nigeria amounted to 588 million dollars in 1990. This rose to 1, 079 milion dollars in 1995, but declined to 930 million dollars in 2000 (UNCTAD, 2002b). Worldwide FDI in 2001 were 823. 8 billion dollars and Nigeria attracted only 1.1 billion dollars or 0. 13% of that amount. Moreover, as at August, 2013 Nigeria's domestic debt market attracted a whopping $5. 112 billion from foreign investors (Adigun and Udunze, 2013: 33).

4.3 A Better and Efficient Global Financial System

Globalization engenders a better and efficient global financial system, and this benefit is currently being enjoyed by Nigeria more than ever before. Today, the use of computers in Nigeria has increasingly become quite commonplace in pure scientific research, social sciences and especially in managerial decisions. Hence, globalization has thrown up formidable opportunities for national economies through technological revolution especially in the financial system by reducing the world further into a global village, and as well by providing enormous information through a wide range of interconnectivity. Thus, financial globalization was propelled by the advance in information technology that facilitated interactions among financial concerns in different parts of the world. Within seconds, financial transactions involving large sums of money could be concluded. The fluidity with which capital moves across national boundaries is now legendary. Moreover, reductions in transport and communication costs, capital account opening, financial market deregulation and privatization of state enterprises have combined to create a favourable environment for increased capital mobility. In other words, rapid capital and financial integration has helped in the mobilization of foreign savings for domestic investment and economic growth. It has also made capital to be more efficiently deployed.

4.4 Increased Specialization and Efficiency in the Production of Goods and Services Coupled with Better Quality Products at Reduced Prices/Economies of Scale in Production {Provided by Globalization of Production (Outsourcing) and the Globalization of Markets}

Another opportunity provided by globalization is the increased specialization and efficiency in the production of goods and services and better quality products at reduced prices engendered by outsourcing/globalization of production. Moreover, apart from outsourcing, the revolution in information technology has equally provided tremendous opportunity for the exploitation of economies of scale making for rapid growth and the conferring of comparative advantage to those that have access to it. In view of this, Nigerian companies are now benefitting from the increased competiveness, economies of scale; and specialization and efficiency engendered by outsourcing/globalization of production. Furthermore, innovations in transportation technology has led to containerization, and due to containerization, the transportation costs associated with the globalization of production have declined. In addition, the rapid technological innovations/technological revolution have made the real costs of information processing and communication to fall dramatically in the past two decades. Consequently, it is now possible for a firm to manage a globally dispersed production system, further facilitating the globalization of production, and encouraging the production of better quality products and economies of scale. Nigerian firms like Peugeot Automobile Nigeria Ltd (PAN), Kaduna, MB ANAMMCO, Emene, Enugu, and so many others are not left out in this increased specialization and efficiency in production cum competitiveness/comparative advantage conferred by the globalization of production.

Similarly, low cost transportation has also made it more economical to ship goods/products around the world, thereby helping to create global markets. Low cost global communication networks such as the world wide- web are equally helping to create electronic global market places; thus further facilitating the economies of scale in production.

4.5 Technological Improvement and Improved/Increased managerial Capabilities

Another opportunity/benefit provided by globalization to Nigeria and the other nations is technological improvement/improved managerial capabilities. Thus, in order to stay afloat and remain competitive in the fierce economic competition of the world market place countries around the world are now improving their technologies (both production process technologies and information communication technologies). In this regard, the inter-connectivity (network) of computers has given rise to the development of the internet, which constitutes the largest network and the largest reservoir of all types of information in the global system. Thus, 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 responses 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.

Moreover, today and more than ever before, the use of computers has increasingly become quite common place in pure scientific research, the social sciences and especially in managerial decisions thereby encouraging increased managerial capabilities. Nigeria as a nation is not left out in tapping from this particular opportunity provided by globalization.

5. NIGERIA: THE CHALLENGES OF GLOBALIZATION

Globalization poses serious challenges to developing economies including Nigeria as a nation. These challenges include;

5.1 Unfavourable Terms of Trade and Our Monocultural Dependency on Oil

Globalization has created an unfavourable terms of trade to the disfavor of developing economies of the world including Nigeria. Thus, the creation of an inclusive global market is a major challenge of globalization, especially for Nigeria. Thus, globalization entails economic deregulation, liberalization and the integration of national economies through trade, production, and financial interaction. In other words, it involves a declining trade and investment barriers all over the world. However, unfortunately for Nigeria and the other developing economies, especially in Africa, their share of world trade has continued to dwindle since the advent of globalization. In this regard, the G8 countries through GATT and the WTO are having a fairer share of the world trade and have become active in promoting tarriff peaks and escalations thereby having a favourable terms of trade over the developing economies.

Moreover, Nigeria's monocultural dependency on oil and its failure to diversify its economic base is a challenge that may hinder the country from tapping fully from the benefits provided by globalization. Nevertheless, a review of globalization with respect to Nigeria and the challenges it poses; the view has been expressed about the dominance of international monopoly capitalism and the Washington consensus over the country. Thus, through the instrumentality of the World bank/IMF the industrially advanced countries (IACs) of the world are satisfied with the peripheral role of Nigeria as an exporter of raw materials, especially crude petroleum cum an importer of manufactured goods from the West. In this connection, the IACs seek to sustain the import capacity of peripheral economies in order to facilitate continued production and maximization of profits for themselves; and this explains why in the peripheral economies raw materials exports are encouraged. Consequently, foreign exchange receipts are low, and this calls for external loan contraction for growth and socio-economic development.

5.2 Meagre Global Share of FDIs

The meager global share of FDIs by Nigeria is another major challenge posed by globalization to the country. Nigeria is among the emerging economies of the world and these countries global share of FDIs are meagre when compared to that of the developed economies as table 3 shows. In this regard, FDI inflows to Nigeria amounted to 588 million dollars in 1990, and this rose to 1, 079million dollars in 1995, but declined to 930 million dollars in 2000 (UNCTAD, 2002b). Wordwide FDIs in 2001 were 823. 8 billion dollars and Nigeria attracted only 1.1 billion dollars or 0.13% of that amount. However, although global FDIs declined to 651. 2 billion in 2002, Nigeria increased her share to 0.19% of such investments as she attracted 1.3 billion dollars of FDI that year (UNCTAD, 2003). This share of FDIs is meagre and it explains the peripheral position of the country in the financial and profit calculations of the industrialized nations and the country's marginalized position within the orbit of the modern global order.

5.3 The Challenge posed by Financial Globalization being More Difficult to Track Coupled with the Volatility of the Financial Markets

Another challenge posed by globalization to Nigeria and its economy is the fact that financial globalization is more difficult to track coupled with the frequent volatility of the financial markets. This challenge is not peculiar to Nigeria alone as most other nations are equally experiencing this challenge. In view of this, financial globalization unlike that involving trade in goods and services is more difficult to track as there are frauds inherent in the system including credit card frauds and the increased incidents of money laundering globally. Thus, financial globalization exhibits hard behavior and its presence can easily be obscured either deliberately or by default.

Moreover, financial globalization has led to increased incidences of financial markets volatility. In this sense, the rapid integration of the global capital markets has made reverse flow of capital very destabilizing. This may be exemplified by the 2008 global financial crisis caused by the mortgage market slump in the USA; thereby engendering the reverse flow of capital from Nigeria to the USA/ the other European nations. During the crisis, most U.S. and European FDIs to the Nigerian banks with extension to the Nigerian stock market were off-loaded and transferred back to the USA and to the other Western economies in order to stabilize these economies; thus causing a slump in the Nigerian capital market. This incidence caused liquidity problems for most Nigerian banks and extended to the capital market as these banks are equally active players in the nation's capital market. Thus, hedge funds and financial derivatives have compounded the problems of international financial integration.

5.4 Lack of Social Infrastructure

Inadequate social infrastructure in Nigeria remains a challenge to the country in trying to harness the opportunities presented by globalization. In other words, Nigeria is not positively tapping from the opportunities provided by globalization as should have been the case due to the inadequate social infrastructure in the country. This has thus hampered the country's growth, productivity and global competitiveness.

5.5 Lack of Competitiveness in the Technology Sector

Globalization is driven by a rapid technological revolution and a nation that is creative and innovative in the technology sector will be highly competitive in the global economy. Unfortunately, Nigeria is not so well endowed in terms of creativity and innovation in the high- technology sector. Consequently, even though the nation has been liberalizing its economy, but the real sectors have had to function under conditions of inadequate technology to boost their outputs. This has proved to be a challenge in strengthening the productive base, especially of agriculture and industry, in order to make them more export- oriented. Thus, inspite of the openness in the economy, external trade performance has not been encouraging as table 2 shows.

5.6 The Challenge to the Sovereignty of the Nigerian State

Globalization tends to erode the sovereignty of states in decision making as regards their production/trade policies, investment policies and financial intermediation policies. Thus, there is often the anxiety that the sovereignty of states is at stake as globalization appears to question their rights to independent decision making. Nigeria as a nation is equally coping with this challenge of the erosion of sovereignty of states posed by globalization.

6. NIGERIA: MANAGING THE CHALLENGES OF GLOBALIZATION

The leit- motif or rather the major theme of this paper is the recognition of the existence of a global environment that is deeply embedded in interdependence and the necessity for Nigeria to manage the challenges/adverse effects of globalization while harnessing whatever are its benefits/opportunities for growth and national development. In this context therefore, in managing the challenges posed by globalization to the country, the following are some of the international business management techniques/policy frameworks that will help steer the country towards the part of growth and sustainable development:

6.1 Managing the Challenge of Unfavourable Terms of Trade and the Country's Monocultural Dependency on Oil

The creation of an inclusive global market is a major challenge of globalization for developing economies, especially for Nigeria. Thus, in trying to foster the creation of an inclusive global market that will be favourable to Nigeria in terms of the terms of trade (i.e. managing the challenge of the unfavourable terms of trade against the nation and the country's monocultural dependency on oil), Nigeria should liaise with the other developing economies and strive to have GATT and the WTO renegotiated to be more inclusive preferably through the ambit of the United Nations. Through this medium, the industrially advanced countries (IACs) should be made to choose between a global market driven only by calculations of profit and one, which offers prosperity to all countries through the instrumentality of global economic solidarity. This solidarity is needed with the developed nations opening up their markets and removing the high tariffs placed on Africa's/Nigeria's goods and products. Thus, the enabling framework or international business management technique would include measures to ensure the entry of Nigeria's non-oil exports into the core markets without discrimination. In this regard, the diversification of domestic production is imperative.

In view of this, as developing countries like Nigeria have increased their capacity to produce and export manufactured goods, the developed countries have become active in promoting tariff peaks and escalations (UNCTAD, 2001). Such measures can neither solve Nigeria's cum the South's development challenges nor allow for narrowing of the North- South divide. Consequently and secondly, the management of this challenge preferably lies through an inward looking strategy of creation of regional markets and the formation of bodies like the New Economic Partnership for Africa's Development (NEPAD). Hence, new pragmatic approaches to development challenges by Nigeria consistent with interdependent actions like NEPAD are equally needed in order to bridge the North- South divide and place globalization at the service of justice and prosperity for all nations.

So, as the currents of global development and the ideology and interests of the dominant powers have largely influenced the new development thinking in Nigeria/Africa; hence it is only an inward looking strategy of expanding domestic and regional markets, of promoting intra-Africa trade, of developing factor inputs, of encouraging local industrialization, and of an interventionist role for the state in the economy and social sectors that can promote economic development in Nigeria and Africa. In other words, a mixed-approach rather than an uncritical market slogan is central to Nigeria's/Africa's development and in managing this challenge posed by globalization. After all, the market is never a free or a level playing- field contrary to the position of globalization/the neo-liberals. The market is an arena of power and political struggles, where dominant forces call the shots. NEPAD must come to terms with this reality. A mixed-approach must be incorporated into NEPAD that places the challenges of African nay Nigeria's development not only on the shoulders of the dominant powers, but also on the shoulders of Africans in an inward looking self-sustaining manner.

6.2 Managing the Challenge of the Country's Meagre Global Share of FDIs

In trying to manage Nigeria's meager global share of FDIs, which is one of the challenges engendered by globalization; the international financial architecture needs to be broadened and deepened through global solidarity that would see increased inflows of foreign investments into the country. In view of this, Nigeria's partnership with China is a welcomed development; and this was demonstrated by the visit of President Goodluck Jonathan, in the company of other Nigerian business leaders to the Asian country in July, 2013. Through this visit, Nigeria is trying to broaden, deepen, strengthen and diversify its scope of relations with China including in the area of attracting more FDIs from that country. Thus, when this is achieved/accomplished, globalization would contribute more towards enhancing the living standards of Nigerians as the country joins the league of nations effectively and efficiently managing its challenges and exploiting its opportunities.

Moreover, the opening up of new investment areas as well as designing and implementing sound macroeconomic policies can help the country manage the challenges/adverse effect of this aspect of globalization. In addition, Nigeria could create a conducive regulatory climate and stable political and economic environment devoid of terrorism (like the Boko Haram menace, kidnappings, and the restiveness in the Niger Delta) to attract FDIs. These economic management policy measures will thus enhance the expansion of FDI in the country and may lead to our rapid growth and development.

6.3 Managing the Challenge Posed by Financial Globalization being More Difficult to Track Coupled with the Volatility of the Financial Markets

The advances in Information, Communication, Technology (ICT) have made financial globalization which is a sub-set of globalization to be highly fluid and quick in nature. Thus, globally, within seconds, financial transactions involving large sums of money could be concluded. Consequently, the highly fluid nature of financial transactions in an increasingly globalized and interdependent world has made financial globalization to be more difficult to track leading to frauds, financial scams and increased money laundering in the system. In addition, the technology revolution has encouraged the creation of low-cost global communication networks and the world wide web which have facilitated the globalization of markets by creating electronic global market places; which makes possible electronic payments. This aspect of financial globalization incidentally is equally prone to frauds and scams.

Thus, Nigeria can manage this trend through the strengthening and fortification of the cyber police team working in tandem with the Economic and Financial Crimes Commission (EFCC) in order to track the illegal movement of funds, discourage money laundering and extirpate/root out credit card frauds and a host of other financial crimes.

However, the volatility of the financial markets is a more difficult challenge for monetary and macroeconomic management. For instance, the monetization of huge inflows of capital results in increased monetary aggregates and expansion of aggregate demand with implications for monetary management and inflation control. Thus, a sub-set of financial globalization which has become very pervasive and in some cases destabilizing is financial markets integration across the globe; which further facilitates financial markets volatility across the globe. The rapid flow of goods, services and capital, especially the later, has made national controls on these aggregates less effective without consideration for countervailing measures that other nations could impose in the absence of coordinated responses.

Nevertheless, Nigeria has stood boldly to this challenge, especially after the global financial crisis of 2008 and the accompanying financial markets volatility across the globe, by adopting policy measures that includes; the use of an economic stimulus plan or rather bail- out funds {by the Central bank of Nigeria (CBN) and the National Deposit Insurance Corporation of Nigeria (NDIC)} to bail out the banks and industrial firms that were severely affected by this aspect of globalization. It equally includes the axing and prosecution of bank's CEOs that failed to adhere strictly to due diligence/corporate governance principles and procedures in the management of their firms. These policy measures have thus helped to put the country back towards the path of sustainable development, and could as well form part of the measures for the subsequent management of this challenge posed by globalization.

6.4 Managing the Challenge of the Lack of Social Infrastructure

One of the challenges exposed by globalization in Nigeria is the lack of social infrastructure that will enable the country tap from the opportunities provided by the process. Hence, in managing this challenge of lack of social infrastructure, there is the need to ensure that the enabling environment for the use of computers and other electronic gadgets is provided; as these gadgets are already in place and do not need to be re-invented. Thus, adequate basic infrastructures such as power supply and telecommunications must exist regularly and uninterruptedly. The deregulation and liberalization of the telecommunications sector in Nigeria in 2001 was a positive step in this direction as it has helped in destroying the Nigerian Telecommunications (NITEL) monopoly in the sector. This incident unleashed a free and open competition in the telecommunications sector in Nigeria and ushered in the mobile networks; MTN, Airtel, Globacom, Etisalat, etc. In addition, the deregulation and liberalization of the sector in the country is equally part of the telecommunication revolution and is among the driving forces of globalization in the country.

However, the power sector is still a problematic area and hinders the country from tapping from the full benefits of globalization. The management of this challenge thus lies in the privatization of the sector. The Nigerian Government has taken a step in the right direction by unbundling and privatizing the Power Holding Company of Nigeria (PHCN) into fifteen (15) successor distribution companies (DISCOS) and generation companies (GENCOS). At present, i.e. by August 2013 there were 10 DISCOS and 5 GENCOS that have been privatized, and the process is still on-going. The essence of the privatization in the sector is to ensure better performance, and in this regard, the Nigerian Electricity Regulatory Commission (NERC) has equally been formed to regulate activities in the sector. These policy measures when fully operational will help the country manage the lack of social infrastructure exposed by globalization and which currently hinders the country from tapping from the full benefits of the new global order.

6.5 Managing the Challenge of the Lack of Competitiveness in the Technology Sector

Globalization is driven by rapid growth in the technology sector; meaning that a nation that is creative and innovative in technological development, designs and production will be highly competitive in the global economy. The United States economy is adjudged the best and the first in the world because of its emphasis on creativity and innovation. This means that the USA is among the best, if not the best in Mathematics and Science achievements in the world.

Consequently, in trying to manage this lack of competitiveness in the technology sector; Nigeria should take a cue from the USA. The Nigerian educational sector should be strengthened by supporting and encouraging the universities and Polytechnics in the country to lay much emphasis on science education. Science parks could be established and annual awards instituted for individuals, institutions and designers who excel in Mathematics and Science, creativity and innovation achievements. Technological Institutes like the Project Development Institute (PRODA) at Enugu and numerous others scattered across the country should synergise with manufacturers/producers, including those in the Agricultural Sector in order to offer them new production processes/technology to aid the country to tap from the benefits of globalization.

7. CONCLUSION

This paper has reviewed Nigeria: Managing the Challenges of Globalization. It has thus offered some benefits/opportunities which globalization has provided to the Nigerian economy, the challenges of globalization to the nation and the management of these challenges for sustainable development.

The challenges of globalization to Nigeria's economy include among others; unfavourable terms of trade/monocultural dependency on oil, meager global share of FDIs and the challenge posed by financial globalization being more difficult to track/the volatility of the financial markets. Thus, in the absence of fair, just global rules, globalization has increased the ability of the strong to advance their interests to the detriment of the weak, especially in the areas of trade, finance and technology.

Consequently, the study suggests that the challenges posed by globalization to the country could well be managed by the adoption of some policy measures which includes; the provision of an inward looking strategy of the creation of regional markets and formation of bodies like NEPAD /diversification of domestic production; the opening up of new investment areas, broadening and deepening the country's international financial architecture through global solidarity as well as the creation of a conducive regulatory climate and stable political and economic environment devoid of terrorism to attract FDIs. In addition, policies like the strengthening and fortification of the Cyber Police team working in association with the Nigerian Economic and

Financial Crimes Commission (EFCC) coupled with the provision of bail- out funds by the government to banks/industrial firms that are experiencing the adverse effects of globalization, especially financial volatility are equally measures for the management of these challenges.

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