

Economic Globalization in the Face of Recession, Corruption and Insecurity

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Abstract

Nigeria is a country endowed with natural resources and agricultural productivity among others which makes her the giant of Africa. Despite these indices for greatness, since after independence, Nigeria has remained a country that insurgency continues to thrive making life insecure for the citizenry. Corruption leads to conflicts and insecurity hindering development in the country. The paper examines the potential issue of corruption and insecurity and the challenge it poses to the country in the global economy and the development in the country in the face of economic recession. The impact of corruption and insecurity on the global economies and Nigeria economy in particular, it is suggested that the government should find lasting solution to the crises; while giving priority attention to total eradication of corruption in Nigeria

Keywords: *Economic globalization, Corruption and Insecurity*

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Background to the Study

In Africa, Nigeria is regarded as the second largest in terms of area and the most populous nation-with a population of 160 million people. Nigeria is regarded as the Africa's treasure due to the role she plays to other African countries in the area of conflicts, resolution, and peacemaking. Nigeria crude oil exports which generate huge income for her dynamic role both in Africa and the world at large, which made her the major contributor to regional and international organizations such as organization of petroleum exporting countries (OPEC), African Union (AU), the United Nation Organization (UNO) and Economic Community of West African States (ECOWAS) among others. Nigeria is a representative of Africa in UN and was re-elected as non-permanent member security council of the world body. More so, Nigeria is proud of notable people like the Nobel Laureate Wole Soyinka, Chinua Achebe, Chimmanda Adichie, former finance minister and the coordinating minister of the economy Ngozi Okonjo-Iweala and the former Director of National Agency for drug and administration and Control (NAFDAC) Late Dora Akunyili among others.

Inspite of this, Nigeria is in a dreaded moment and insurgency assuming the centre stage. On daily basis there is always one form of bombing or the other, kidnapping has become the order of the day, with the kidnapping of 200 Chibok school girls in Borno State followed by subsequent kidnapping of other children and young men all over the country which has attracted global attention. Nigeria is regarded as Pariah State due to insecurity and Nigeria is ranked as the most corrupt countries in the world and corruption leads to every ill in the society. With independence five decades ago, it was hoped that the country will ushered her people into the promised land of milk and honey but this has become a story, instead the country is experiencing conflicts from secessions civil wars, ethnic and religions crises which continue to affect the country's development. As a result of conflicts many people have been forced to leave their homes and have become refugees in their own neighboring countries.

Conceptual Framework

- i. **Globation which include:** professional corruption, organized corruption, economic corruption, ground corruption, working class corruption, moral corruption among others. Corruption can also take the form of cronyism, bribery, favoritism patronage, extortion, fraud and embezzlement corruption is caused by greed, social environment, ostentatious living, societal and family pressure, get-rich quick syndrome poor reward system, inadequate motivation among others. The magnitude of corruption in Nigeria is disheartening. Corruption cut across all sector of the economy and found among all classes of people such as the educated and uneducated, the rich as well as the poor.
- iii. **Insecurity:** Is when the environment is expose to danger or threat. Insecurity can cause damages or lost of properties as well as injury or death of people. Insecurity refers to a situation of fear or anything that causes fear, harm or has the capability to cause fear or harm any individual.
- iv. **Recession:** In economics, a recession is a business cycle contraction which results in a general slowdown in economic activity. Macroeconomic indicators such as GDP (gross domestic product), investment spending, capacity utilization, household income, business profits and inflation fall. While bankruptcies and unemployment

rate rise. Recession generally occur when there is a widespread drop in spending (an adverse demand shock).

Objectives of the Study

The objectives of this paper are;

Broadly, the paper intends to examine the impact of corruption, insecurity on the global economies specifically, the paper will;

- i. Evaluate the effect of corruption on the Nigerian economy.
- ii. Examine the impact of insecurity on the Nigeria economy.

Theoretical Framework

The concept of globalization present itself as an all embracing process impacting on the political, economic and socio-cultural dimension of societies throughout the world. Globalization is a generic concept that has been used to describe a multiplicity of process at the economic, social, political and cultural dimensions (Nemedia, 1998, Kwarashie, 1999), depending on the concept of the process being emphasized (Rodoic, 1999) Fogwell (2000) in Nyong (2005) defined it as the pressure for uniform economic and political system in the world that is favourable, first to Westernized nations, all of who see it as the key to human progress and development. To understand the issue of conflict and insecurity, we will discuss the prebendal and frustration – aggression theory prebendalism means primitive acquisition. The theory is popularize by Joseph Richard who discusses the politics of corruption in Nigeria where Cronies or members of an ethnic group are compensated if individual from the group emerge into power (Joseph, 1996). This identify politics encouraged corruption in the country and appointments, promotions, admissions award of contract among others are done based on ones ethnic or religious affiliations.

Frustration – aggression stipulates that aggression is the result of frustration which cause individual inability to attain their goals. Similarly, insecurity is the outcome of aggressive behavioure which brings about issues such as poverty and unemployment among others. Corruption in this country has resulted to poverty, unemployment, injustice, absent of infrastructure, militancy which has resulted to insecurity.

The Globalization – Corruption and Insecurity Nexus

In the global market economies Nigeria has been backward for some decades ago due to the problem of corruption and insecurity especially in this period of economic recession. Corruption remains one of the biggest challenges to insecurity in the country. The link between corruption and insecurity is obvious. Corruption fans the embers of poverty, crimes and insecurity e.g armed robbery, terrorism, disease, unemployment among other factors which lead to insecurity, are related to insecurity directly or indirectly. (Dike, 2005). The upshot of militancy, kidnapping and terrorism in the country can be traced to corruption. In the Niger Delta region where the militancy emanate from, it was sponsored by political thugs that was grouped by the corrupt politicians before the elections. After the election, the thugs had no option than to resort to militancy which result to bombing of oil installations and kidnapping foreign oil workers for compensation. All this had a negative effect in the global market

economies especially in this period of economic recession. In spite of the amnesty granted to the militants, kidnapping, rituals has spread across the country and many resort to it as a lucrative “business”. The Boko Haram in the North – East are not left out, the sect have continue to make life insecure for Nigerian residents in the area and the gross domestic product (GDP) of those in the North- East are affected, this no doubt, has affected the country globally especially during this period when the country is struggling to survive.

Political corruption indeed remains one of the causes of poverty. In spite of the oil wealth and abundant natural resources, Nigeria remain one of the poorest countries in the world. According to World Bank report (2005) Nigerians are living below poverty line. This is because the funds meant for development had been diverted to private pocket by selfish politicians living the masses in abject poverty. The record has it that more than \$500 billion was stolen from treasury by Nigerian leaders from 1999-2015 (Okoaduwa, 2007).

In the area of unemployment where people are not occupied with meaningful work and have no means of feeding, they bring attention to their plight by engaging in violence at the slightest provocation. Nigerian youth are jobless and are ready to be engaged in criminal activities as a way of engaging themselves. They resort to armed robbery, electoral violence, assassinations, kidnapping and rituals as a way of making a living. According to Odumakin (2012) with 60 million unemployed youths Nigeria will have no peace.

Corruption leads to Unemployment and Conflicts to Insecurity

Moreso, criminals and corrupt politicians in the country use their ill-gotten wealth to sponsor acts inimical to the insecurity of the country by using state money or money they have embezzled to sponsor political thugs in different parts of the country. This as matter of facts, has a negative effect in the country globally especially in this period of economic recession when the country is looking for assistance from external sources.

The Cost of Corruption and Insecurity in the Nigeria Economy-in the Face of Recession

The cost of corruption in Nigeria is much and has affected the Nigeria economy Globally. Economically, corruption and insecurity has discouraged capital flight in that foreign investors are discouraged to invest in Nigeria for fear of losing their money to dwindlers and frauders because many have been victims of “419” on the other hand, insecurity continues to take its toll in the economy. Properties worth billions of naira have been destroyed in must part of the country and businesses have been closed down.

Human capital development have come to standstill in that the foreign Donors are not comfortable with the Nigerian economic environment and the Nigerian economic outlook in terms of human capital development has not been very impressive irrespective of billions of Dollars Donated by the Donor Agencies. Those at the helm of affairs have diverted this fund into their private pocket. The cost of corruption is also seen in the area of agriculture which is the main source of Nigeria economy before now. For the past three decades Nigeria has not been able to boast of adequate food supply for her citizenry due to corruption. Nigerian government yearly budgeted billions of naira on agriculture, this money are not property

utilized, selfish politicians always diverts 70% of this money into their private pocket, even the soft loan given to the farmers were given on the basis of man know-man, not on the basis of the real farmers, this is worrisome in this critical time the economy is facing recession. The cost of corruption is also seen in the fact that 57 years after independence Nigeria has not been able to celebrate one day of uninterrupted power supply and is still battling with access to portable water.

Prospect of Globalization in Nigeria

Inspite of the problems associated with globalization in Nigeria, if the material and human resources that Nigeria is endowed with are harnessed, there exist some prospects. Since globalization advocates perfect competition, the challenge facing Nigeria become a thing of past, using this resources at its disposal to build a coherent and self sustainable economy which will be competitive in the world market.

Conclusion and Recommendation

It has been established that globalization is a reality which the typical developing market economies of Africa cannot ignore. Effort must be made in order to face this reality squarely and benefit from its gains. Nigeria as a developing country is still internally weak to benefit fully from the opportunities offered by globalization inspite of her huge material resources and endowments. To meet the challenges of the emerging new world order, Nigeria should pursue the following recommendation to their logical conclusion.

Since corruption give rise to insecurity, there is need to first eliminate corruption, if this is done, insecurity would be dealt with. There should be good governance, transparency, accountability and the rule of law if the fight for corruption and insecurity is to be won. Zero tolerance for corruption by all Nigeria, government and corrupt politicians who use money meant for development to sponsor act of terrorism should be prosecuted according by the law. No doubt, corruption and insecurity need to be eliminated to enable Nigeria effectively play its role as a giant of Africa in the global economies. To eradicate corruption and insecurity in Nigeria is a collective one not government alone, if the country is to abort this evils especially in this period of economic recession, Nigeria will find its place in the global arena.

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