

Globalization And Nigerian Non-Oil Export

Patricia U. Allison

Introduction

When some years ago, a Canadian Communication scholar, Marshall McLuhan propounded the theory of Global village, most of his contemporaries either did not understand him or believe him. His abstract drawings in form of illustrations confounded them all the more.

Today, advances in communication technology has reduced the world not just into a village but "A big household." Globalization, as we gleefully talk of today, is part and parcel of that global village theory because globalization is all about the world coming together to trade, removal of obstacles to those trades and encouragement of competition among others.

When Nigeria got her independence in 1960, her major source of foreign revenue was agriculture. The government at both federal and regional level put in place, measures that encouraged mass production of agricultural products. Chief among these are cocoa, (in the West); palm oil & kernel (in the East); rubber (in the Midwest) and groundnuts (in the North).

These agricultural products were exported and fetched the much needed income for the government. There were such bodies like West African Cocoa research Institute in Ibadan, West African Institute of Palm oil Research and other similar bodies established to aid the qualitative and quantitative production of agricultural goods. Good care was taken to protect the agricultural sector and make it more functional.

Globalization

Since the early 1990s, the dominant economic term in the lips of both small and big business is globalization. Actually, only few people understand the full meaning and implications of the term globalization. But not minding the number that truly understood it, the impact of globalization has been quite global in perspectives. Globalization has impacted on the quality of life we live, the peace and stability of our environment and our sense of relevance in a new millennium.

From purely economic point of view, Globalization simply means liberalization and integration of the world economy; larger and freer international trade made possible by breakthrough in information and communication technologies.

In the words of Pat. Utomi (2000),

in its simplest form, Globalization is about the process of integration of economies of the world. The process is driven by an information and communication revolution. The convergence of three streams of technology viz, Computing, Technology and Broadcasting was to ensure that the once far-fetched, almost science fiction, global village had become reality. The dramatic drop in the cost of transportation, extra-ordinary productivity gains brought on by technology and the collapse of the great ideology wall or Iron curtain when Mikhail Gorbachev began a process that developed its own momentum and consumed the Soviet Union were to ensure the inevitability of globalization.

Peter Drucker's theory states that the concept of competing economic blocks will fall apart, became a reality.

At the onset of Globalization and even till today, the debate has been on between the protagonist of Globalization who see in it opportunities for fast and balanced economic growth and more efficient markets and the antagonists who see a distinct disadvantage

for the late starters such as African countries. More disturbing but nonetheless lurking dangerously somewhere (to the antagonists of the process) is that corporate globalization will result in erosion of state power, a scenario in which the presidents of powerful nations (or even the despotic ones) will have little in relation to Chief Executive Officers of the super corporation of the world whose quotations on stock exchanges in several continents mean that they have no national loyalties as such.

Even though a very closed economy like China is gradually but systematically entering the world market, the full implication of Globalization is a parting of ways between government and business. The government can take charge of the political administration of the people while Globalization takes care of the economy; blowing the economy to meet the interest of the whole world. A further implication of Globalization is that it has brought home to us the reality that no one nation can be an island unto itself among the comity of nations.

Factors Enhancing Globalization

The whirlwind of Globalization seems to have been set off and sustained by two major factors namely:-

1. Trends in National/International Economy

This was propelled by:-

- i). Advances in information and communications technology which has shortened time and space,
- ii). Advances in Transport-Technology; every part of the world is accessible in a matter of hours;
- iii). The widespread use of technology in production process, distribution and marketing;
- iv). The active expansion of multinational corporations and the decentralization of economic activities within firms and their subsidiaries;
- v). The development of global finance and financial

markets;

- vi). Reduction in trade and investment barriers;
- vii). The rise and power of supra-national organizations
OPEC *Organisation of Oil, Exporting Countries*,
EU *European Community*;
- viii). WTO *World Trade Organisation* and new rules of the game: and;
- ix). Global Public Good Externalities.

2. **Restructuring and Transformation of World Economy**

Globalization also came as the result of restructuring and transformation of the world Economy. This takes the form of:-

1. The internationalization of economic activities especially by Multinational Corporations;
2. Growth in International Trade. Volume of total world trade now outstrips total world GDP;
3. Increasing economic linkages that transcends borders... reflecting the strategic behaviour of firms at the firm level;
4. Changing character of International investment flow, and forms of corporate activity (Non-equity cooperation policies of developing economies).

A cursory look at the above, indicate that every thing including decision making is taking increasingly global outlook. UNIDO in 1996 therefore, asserts that, "the combination of these factors has made the global integration of production technology and marketing an increasingly dominant feature of the world economy over the last decade and half."

While Drucker continues that Businesses in a majority of places will not serve local market, regional market or very narrow markets. Every executive needs therefore, to think globally in this millennium and be globally informed.

The Nigerian Non-Oil Sector: Are There Any Opportunities Here?

Our country despite her enormous material and human resources has largely been an onlooker, an uninterested observer of the entire process. That was in the past. A new wind is now blowing through the country. There are other areas than oil that can earn just as good as oil. Another important factor is the misconception among the people that exports must be of industrial or manufactured goods only. Another problem here is the country's exclusive dependence on crude oil as her foreign income earner. These might have been brought about by long period of military maladministration in the country.

Another very disturbing reason is that Government has become the biggest business in the country. For these reasons, businessmen are today either chasing governments contracts or involved in oil-related business for example, petrol stations. According to them, "those are where the action is."

The Nigerian Export Promotion Council has been at the forefront of the crusade for the diversification of the country's exports. The council has made a comprehensive list of non-oil areas which interested businessman can successfully explore. In the primary commodity sector include the following areas:

- i). **Cocoa Products:** Cocoa beans light crop, cocoa main crop; **Palm kernel, Coffee Rubusta; Coconut (fresh); Soyabeans; Copra; Sheanuts; Gum.**
- ii). **Arabic** (Grades 1,2,3); **Edible Nuts** (cashew nuts, Groundnuts, Walnuts); **Spices** (chilies, ginger, pepper, cloves, nutmeg); **Crude Drugs** (Kolanuts: dried and fresh); **Natural Fibres** (cotton, jute, sisal, coconut fibres, cocoa yam); **Fruits** (avocados, bananas, grapes fruits, **Guava** (white, pink, lemons, mangoes, melon, oranges, pawpaw, pineapples, plantains tomatoes; **Vegetable** (beans, beet root, carrots, cauliflower, courgettes, cucumbers, garlic,

karela, leeks, lettuce, mushroom, okra, onions, peas, potatoes, raish, spinach, lemon grass)

iii) **Cassava** (dried pellets)

iv). The late Dr. Michael Okpara, former premier of Eastern Nigeria recognized the importance of agriculture in the economic development and growth of the GDP when he introduced "Back to land" programme. In this he preached and promoted the importance of agriculture and agricultural products towards achievement of self sufficiency. Efforts made in this non-oil commodities include Obasanjo's "Operation feed the Nation" when he was the military Head of State. Today, as a civilian head of state, Chief Obasanjo is championing the production of Cassava on industrial scale for exports to China and Korea.

v). In the Semi-Manufactured category, a forward-looking businessman can successfully explore the following untapped areas: Coconut (desicated) Cow horns/bones/hoof; HIDES AND SKIN (Wet blue goat, Wet sheep, Wet blue crome); SHRIMPS (Processed H.I. Brown: 16/20, 21/25, 26/36,31/35, 36/40, 41/50,51/60,61/70,71/90,91/110,110 and above); H.L. WHITE (8/12, 11/15, 15/20,, 21/25, 26/30,31/35,35/40,41/50,51/60,61/70,71/90,91/110, 110 and above); RUBBER (RSS 1, RSS 2, RSS 3, TSRS 5L, NSR 5L, WL 5L CL 5L, TSR 5, WL 5, CL 5, TSR 10, NSR 10, WL 10, CL 10, TSR 20, NSR 20, MX 3);

The Manufacturing sector offers exceptionally wonderful opportunities in these areas:

COTTON FABRICS (Cotton thread, Cotton Grey cloth, Textiles fabrics, Tapestry cloth, Cotton bags and sacks, Towels, Absorbent

cotton, Cotton yarn); **TEXTILE PRODUCTS** (Cotton super prints, Cotton real wax, Cotton sheets bleached, Bedspread and sheets, Mosquito nets, Table cover, Cushion, Linens and other furnishing articles, Napkins, Pillow cases); **READY MADE GARMENTS** (Adire batiks wears, Coats, Shirts, Safari Coats, Trousers, Costumes and fashion).

TEXTILE SECONDARY ACCESSORIES (zipper, Fasteners, Buttons)

CANVAS GOODS (Tents, Tarpaulins, Carpets and rugs, Other floor coverings).

FOOT WEAR (Footwear with outer soles etc, Leather sandals, Leather slippers, Leather footwear, Canvas footwear, plastic products (e.g. plates, Sheets, Buckets, tubes, Bottles etc),

CHEMICALS (Borax: anhydrate and decahydrate Alcohol Amonium Nitrate, Acetic Acid, Benzene, Butadiene, Glycerine, Methanol, Photographic Chemicals, Magnesium carbonate, Hydrochloric acid, Hydrogen peroxide, Caustic soda, Phenol, Sulphuric acid, toluene and Yeast); **FERTILIZERS** (Urea, Nitrophosphate, Calcium ammonium nitrate, Super phosphate);

AUTOMOBILES (Peugeot Automobile Nigeria Limited diverse models of Peugeot cars and mini buses as well as Mercedes benz buses of different models.

Paper and paper Products: (Poster Paper, Print paper coated/ Kraft liner in rolls or sheets, Paper board, Paper bags, boxes etc Envelops, Wall paper, Writing pads, Paper stationery, Register dairies, file covers, etc, Paper toiletries);

IRON AND STEEL PRODUCTS (Machine tools and industrial parts, Wire and cable for telegram, Wire and cable for electrical installation, Galvanised pipes, Nails, screws, nuts etc; Corrugated iron sheet;

Aluminum ingots; Zinc alloys; Iron and steel bar rods etc; Gas cylinders and cookers of various sizes and weights); Oil/Fats And Cake: (Cocoa products like: butter, cake, oil (crude and refined); Sesame seed oil; Animal fats; Cotton seed oil; Soya bean oil; Copra cake; Castor oil; Maize oil; groundnut oil; sunflower seed oil; etc).

Other areas that could be of immense benefit and profit to any determined entrepreneur but equally neglected are: Detergents; Alcoholic and non-alcoholic beverages; Roofing Sheets and other building equipment; Transport Equipment; Wood Products and Handicraft; Sweets and Confectioneries; Electrical; Processed Food Items; Glass Products; Metal Products; Precious and semi precious Stones; Industrial Mineral and Herbs.

How To Achieve Globalization

As noted earlier, Globalization does not allow for a nation being an island unto herself. This implies that every nation must join in Globalization or be left in a helpless wilderness. Our approach, therefore, must be to follow a well articulated agenda, which Nigeria must focus on if she is to make any meaning out of it all. In drawing such a meticulous agenda, we must first of all get our priorities right. We must fully understand and embrace the process before taking the dive.

Our priorities must include the following:-

- a. Improve on our effective information and communication technology penetration strategy. It is on record that our information and communication facilities are poorly developed and very costly. If we must reap bountifully from Globalization, we must as of necessity, address our facilities in order to make them not only accessible but cheap to obtain and use.
- b. The management of our economy must improve. All these inconsistent policies, export dependent solely on oil,

import substitution etc must give way. The economy must be diversified, a respectable exchange rate for the Naira must be achieved, our economy must be geared towards exports, public spending must be prudent.

- c. The education system in the country which is only just trying to emerge from the doldrums needs to be continuously reformed. Education should be adequately financed and be made to respond to societal needs and not just education for its own sake.

Others include:-

- i. Well-patterned liberalization of our national markets.
- ii. More pep towards Privatization and deregulation of public-owned enterprises. Care should be taken here to ensure that what was aimed at was achieved.
- iii. We must join other nations in exporting our products massively. We must penetrate the world market and export and not just import from others.
- iv. Conscious and determined effort should be made to develop new technologies so as to be able to compete with other nations.
- v. Systematic removal of bureaucracy on the entry requirements of investors.
- vi. Exporters should make adequate and proper use of services provided by different parastatals and agencies which are meant to encourage and help them export their goods.
- vii. Government should make these parastatals viable and responsive. They should be well equipped to meet the challenges of Globalization.

The Benefits of Globalization

If our entrepreneurs are to brave it and join the globalization process, the benefits are enormous. Briefly, the benefits of globalization

include among others the following:-

1. Growth, which brings in its wagon: technology and managerial skills.
2. Globalization encourages joint venture and non-equity linkages such as licensing, subcontracting, strategic alliances etc. This means that firms can jointly undertake a venture or link up in the process.
3. Intra and inter Multi-national corporation technology transfer/research and development.
4. Surplus portfolio investment will widen access to alternative financing choices.
5. Offers opportunity for the participation of local enterprises in international production of goods and services by domestic export-oriented firms to global markets.
6. Increased trade/business activities leads to economic growth and increase in per capital income.

Problems of Globalization

Despite all these mouth-watering benefits and opportunities offered by Globalization, the process can turn into hydra-headed monster if not handled right. It is a double-edged sword that can consume both the welder and the enemy if mishandled. For instance:-

1. There is the tendency for wages to rise despite labour surplus because the increased productivity is high technology-intensive.
 2. Unemployment may result as new generation of technology substitute capital for labour irrespective of comparative advantage of surplus labour.
 3. It would on the long run, lead to the closure of important substitution-industries which are unable to complete in open economy conditions.
 4. And finally, it could lead to low productivity growth pattern especially in third world Economies.
- The implications of the above are that for any good thing,

there is a price. The price here is that Nigerians must work harder than ever and try to develop our own technology in order to favourably complete in the global market. This is why our entrepreneurs must grab the unique opportunities offered by globalization to build empires in Nigeria that will be the envy of the rest of the world.

The Japanese Approach

One very practical and effective way for Nigerian entrepreneurs to join the process of globalization without inordinately high price is to adopt the Japanese approach.

At the end of the second world war in 1945, Japan was defeated, devastated, humiliated but never demoralized. The only sign of defeat in Japan was that they dumped their Militarist Approach to international affairs and their monarch, Emperor Hirohito renounced his divinity. They paid more attention to economic reconstruction of the badly-battered Japan.

In doing this, they focused attention on the production of electrical, electronics and automobiles. With their own technology and what they gleaned from outside, coupled with their well-known technical skills and managerial competence, they were able to develop high quality products. Not only were these products of high quality and are massively produced, they were equally relatively cheap. Armed with the above qualities, they successfully invaded foreign market with made-in-Japan products especially in the Electrical, electronics and automobile industries coming up with innovations and technologies totally their own.

They discovered later to their chagrin, that their goods are not competing favourably as should be the case because of protectionism. They quickly changed their tactics. Some of their entrepreneurs left for foreign countries where they brought their business instincts, competence and technical skills to bear.

Very soon they started buying over ailing businesses, going into mergers with local firms, involved themselves in public relations activities, buying controlling shares in strategic industries, investing

heavily in media, buying or constructing public places like parks etc. Bill Emmott (1992) captures this Japanese invasion thus:

WITH A RUSH they arrived, in the United States, Britain, continental Europe and Asia. Suddenly, the Japanese were building factories, buying companies, buying huge, well-known buildings, consorting with politicians and with royalty, sponsoring exhibitions, festivals and charity events, and, most of all, employing millions of people and selling millions of their goods and services.

In doing these, there is no gain saying that the huge profits made are in part ploughed back to Japan. Today with globalization, Japan is at the fore front. They may not be the richest country in the world but they are certainly the most export oriented economy. And the sky is their limit. The Nigerian entrepreneurs can as well do this, even do better than Japan if they must succeed, they must bear the following tenets of globalization strictly in mind.

1. They must be ready to exploit the advantages brought by the information and communication technologies.
2. They must choose carefully their products and their target markets.
3. They must ensure that not only is their product of very good quality, it must be mass-produced in order reduce overhead cost and therefore compete favourably.
4. They must put their feet down and develop their own technology and not rely on the so-called technology transfer because there really anything like technology transfer.
5. Globalization offers the unique opportunity of looking beyond Nigeria in establishing their businesses.
6. They should seek and obtain information from government agencies like NEPC on the new trends on global markets and marketing.

Finally, they could imbibe the Japanese business vision, managerial skills, tenacity and ability to detect opportunities a mile away.

Conclusion

If handled right, globalization offers Nigeria better opportunity of being a truly great nation than the discovery of oil. This is because in whatever you are doing, you need not depend on anybody to succeed provided you are good at it. It offers true challenge to people with creative ideas, to those efficient in their services. It also gives true economic independence to every body irrespective of governments interests.

References

- Amartya Sen: "Globalization And Its Discontent:" A paper presented during Development Thinking at the Millennium Annual Conference on Development Economics World Bank, Paris, June 26, 2000.
- Emmott Bill (1992) *Japan's Global Reach: The influences, strategies and weaknesses of Japan's Multinational Companies*; London, Century Business Inc.
- Carnoy Martain and Castells of Manuel "Globalization, The Knowledge Society and The Network State: Poulantzas At the Millenium." A revised and undated paper originally presented at the University of Athens, International Conference on Nicos Poulantzas, Athens, Greece 30th September 2 October 1999.
- Eleazu O. Uma: "Impact of Globalization on the Economy: Challenges and Opportunities for Nigerian Industries." A

aper presented in a UNIDO Organised workshop on Public-Private Sector Dialogue on Nigeria Competitive Future in Daula Hotel Kano, 4 5 October, 2000.

Soludo Charles: "Industrializing Africa using the WTO Framework", an unpublished research work, Dept. of Economics UNN.

Utomi Pat: "Impact of Globalization On The Nigerian Economy Challenges and Opportunities for the Manufacturing industry" A paper presented at UNIDO organized workshop at Lagos Sheraton Hotel and Towers, 31 October November 1, 2000.

University/Industry Cooperation: A Viable Tool For Economic Growth

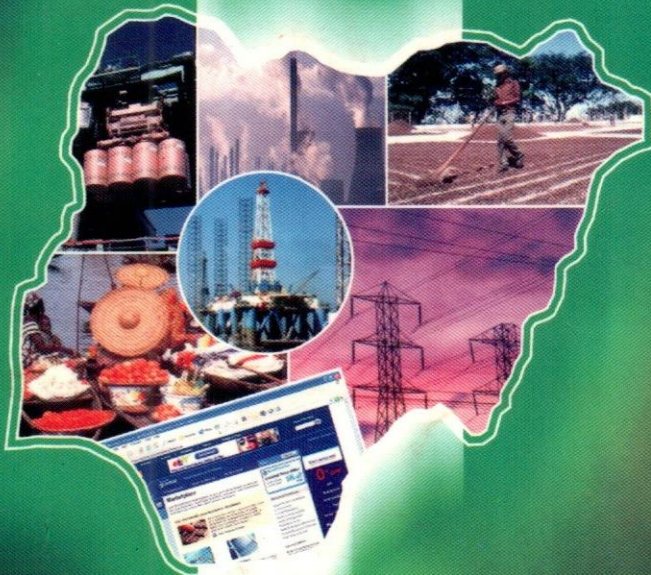
Julius Onuorah Onah

Introduction
Businesses all over the world have gone through various transformations. These changes arose from changes in societal needs. The role(s) of universities also vary from one nation to another. The influence of Western university models in the world should be borne in mind that each nation has historical and cultural differences.

Economic Growth & Environment

The University as an institution emerged in Europe during medieval period. It was a place where students came to learn and to be trained in various professions. The university as a repository of knowledge and wisdom was a model university in Alexandria Egypt. The institution was to generate a new knowledge, an institution for scholarly research, as was the case with the university conceived by Wilhelm Von Humboldt at the beginning of the 19th century.

Marketing and Management Practice in Nigeria



edited by

**Julius Onuorah Onah
Ikechukwu Sylvester Ndolo
Patricia Ukachi Allison**