

The Paradox of Economic Globalization: The Case of the Niger Delta Region

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Abstract

Globalization presents contradictions, leading to its manifestation as good and bad – a double edged sword. For the proponents of globalization, it is a unifying force, an economic process that offers people a variety of choices, leading to an improved quality of life. One can also argue that globalization is good given the example of China and Indian where most people have moved from abject poverty. However, the negative aspect of globalization has resulted in a tremendous income inequality in most developing nations. There is a high rate of unemployment in these countries as both skilled and unskilled youths have become increasingly marginalized and disfranchised from the promise of “development.” The position of this paper is that, the processes of globalization in the last few decades have continuously restricted people’s lives, widened the gap between the rich and poor, north and south, resulting in a fragmented globality. And for the particular case of the Niger Delta region, economic globalization has resulted in the disenfranchisement of the youths. The discussions of this socio-economic phenomenon in this paper will be based on the field work that commenced in 2004 to 2010 in Obagi, Obelle, Omoku, Ogbogu, and Obite communities

Keywords: Globalization, Economy, Oil Exploration, Marginalization, Disenfranchisement

Introduction

Economists describe globalization as the abolition of tariff and non-tariff barriers (Weisbrot et al., 2002) or the practice in which national and international policymakers encourage domestic deregulation and external liberalization (Cornia, 2001). While we are not taking anything away from the above assertions, we posit that globalization goes beyond changes in rules and regulations guiding domestic and international economic development. In general terms, we argue that the processes of globalization affect people’s daily lives in various areas such as the environment, health, economic, politics, culture, prosperity of communities and the physical wellbeing of individuals.

In addition, given the uneven interactions of all the participants of economic globalization, we assert that economic globalization presents contradictions, leading to its manifestation as good and bad – a double edged sword. For the proponents of economic globalization, it is a unifying force, an economic process that offers people a variety of choices, leading to an improved quality of life. One can also argue that economic globalization is good if one takes into account, the example of China and Indian where most people have moved away from abject poverty. However, the negative aspect of economic globalization has resulted in a tremendous income inequality in most developing nations. This socio-economic phenomenon has in turn led to more social unrest in most developing

countries because income inequality has become very precarious as the overall social exclusion has become more magnified.

There are various ways in which local citizens have been prevented from obtaining the basic necessities of life. For instance, there is a high rate of unemployment in these countries as both skilled and unskilled youths have become increasingly marginalized and disenfranchised from the promise of "development" as presented by the proponents of globalization. The position of this paper is that, the processes of economic globalization in the last few decades have rapidly and continuously restricted people's lives, widened the gap between the rich and poor, developed and undeveloped, north and south, resulting in an uneven globality. And for the particular case of the Niger Delta region, economic globalization has resulted in the social exclusion and disenfranchisement of the youths. The discussions of this socio-economic phenomenon in this paper will be based on the field work that commenced in 2004 to 2010 in Obagi, Obelle, Omoku, Ogbogu, and Obite communities. For clarity and to encourage intellectual discussions on the pertinent issues in this paper, we will discuss the means by which economic globalization affects the inhabitants of the Niger Delta region as a thorough understanding of these mechanisms will inform the decision making process and assist local, national and international stakeholders to devise and implement socio-economic policies that will alleviate the negative outcomes of economic globalization while promoting its intended positive effects. To enable us do this, we have adopted both macro and micro-sociological perspectives as we plan to aid understanding of the complexity of economic globalization and the global determinates of community development and well-being.

Literature review

Nigeria is located on the Gulf of Guinea in West Africa (Fried and Gaydos, 2007). According to Adalikwu (2005), Nigeria is a multi-ethnic country whose economic base has shifted from agriculture to oil exploration. However, Fried and Gaydos (2007) assert that notwithstanding the fact that much of Nigerian's income is derived from the export of petroleum, the agricultural sector still provides employment to several legal residents of Nigeria. Although the country has abundant human and natural resources, it ranks among the 13 poorest countries in the world (World Bank, 2001). According to the World Bank (2000), about 70 percent of the Nigerian Population lives in poverty. In 1997 it was estimated that 70 percent of the population lived on one dollar daily while about 90 percent survived on two dollars a day (World Bank, 2000).

Fried and Gaydos (2007) believe that Nigeria's complex political history, widespread corruption, and heavy reliance on oil revenues are largely responsible for the very low standard of living in Nigeria. Similarly, Adalikwu (2005) posits that the processes of political and economic forces at the international and national levels have contributed to the exacerbation of inequalities and ethnic divisions in Nigeria. For instance, the Niger Delta region of Nigeria, has been systematically deprived of any meaningful development since Nigeria's independence in 1960, and has also become the center of a tense triangular conflict between many ethnic communities, the Nigerian government, and the oil producing multinational corporations (Adalikwu, 2005). Shah (2005) supported this assertion by arguing that developing countries' poverty and social inequalities are complicated issues. For example, Shah (2005) stated that it is not sufficient to say that the poor are poor because of their own governance and management but because the rich have the power to enforce unequal trade agreements that favour their interests more than the poor. This explains why Sala-i-Martin (2002) and Ellis (2003) posited that economic globalization encourages inequality because trade increases the disparity in returns to education and skills, globalization marginalizes

certain groups of people or geographic regions, and opening up lags behind development of adequate institutions and governance.

Adalikwu (2007) expanded on this theory by asserting that the exploration of oil in Nigeria and the Niger Delta region in particular, without sufficient plans for the protection of the people and environment, has led to the continued damage and degradation of the natural environment, people's health, and their means of livelihood. There has been continuous and uncontrolled activity in the exploration and extraction of crude oil, which involves uncontrolled gas flaring, use of old oil pipes, pipe blow outs, oil well/pipe leaks, and numerous oil spillages, resulting in the death of many people, including women and children. In addition, until June 2003, as in much of today, all the interest groups and stakeholders in Nigeria and the Niger Delta region have no clear economic direction and these weak institutions and legal environment hindered the benefits that would have accrued from oil earnings (Adedipe, 2004).

Although the proponents of globalization can argue that economic globalization has contributed to the economic growth in some industrialized nations, it is very clear that it has negatively affected the economic growth of most developing countries that have been denied the institutional tools that will enable them compete with developed countries. According to Whelan (2004), globalization is not only spreading and enlarging market structures; it also has the ability to control trading policies and initiate economic reforms that are not always favourable to either domestic or international economic growth.

There is no doubt that both domestic deregulation and external liberalization of trade have facilitated the distribution of economic goods and services across different countries, the fact remains that the laws that govern these process tend to favour one economic and political region over the other. It is this uneven application of local and international economic rules and regulations that is perpetually hindering the development and well-being of the less developed countries and their citizens. The activities of transnational corporations in less developed countries, particularly in the oil sector have been purely to exploit both human and natural resources which have contributed to the perpetual environmental degradation (Sweetman, 2000:3) and increased burden of disease and social inequalities. However, the major issue with economic globalization in less developed countries is that most of its economic policymakers represent the interests of the big multinational corporations that control the global economy and exploit indigenous resources and peoples by controlling the socio-economic and political affairs worldwide (Whelan, 2004).

Methods and Procedures

The purpose of this paper was to establish that the processes of globalization affect people's daily lives in ways that have resulted in social exclusion in view of the effects on the environment, prosperity of communities, and the physical wellbeing of individuals.

Given the uneven interactions of all the participants of economic globalization, we present it as a double edged sword by which some have access to necessities of life while others are prevented from obtaining the basic necessities of life. In order to achieve the objectives of this paper, data collected from Obagi, Obelle, Obite, Ogbogu, and Omoku communities will be presented and analyzed. The reason for the population and sample of these five communities is that, they constitute areas of on-going oil exploration and extraction by oil Multinational Corporations (MNCs) in parts of the Niger Delta region of Nigeria and the local indigenes have observed the effects of the exploration of crude oil over five decades. Hence, they constitute

information-rich cases through which much could be learned about issues of central importance to the objective of this paper.

In-depth interviews were conducted with subjects who were purposively selected in these communities based on the criterion that the technique gives one an opportunity to select respondents that have and would give information that is relevant to the phenomenon under investigation.

The instrument which involved in-depth interview protocol was based on sixty-two items. The in-depth interviews consisted of open-ended questions and required the hiring of translators who translated the questions from English into the local languages and conducted the interviews based on these questions for those who did not speak the English language. Most importantly, these interviews concerned the quality of their lives (access to basic human needs), the effect of crude oil exploration on their economic activities, particularly their household economy.

The participants in the in-depth interviews included two community leaders (a chief and a youth leader) in each of the five target communities because of their in-depth knowledge of the political and economic relationships between their communities, the oil MNCs and the government.

Using a thematic analysis, the data from the in-depth interviews is presented using critical ethnography of the subjects' lived experiences prior to the commencement of oil exploration based on their personal recollections. The subjects' present economic situation is also presented in relation to the historical structural change in their communities. Based on these analyses, we explained how economic globalization, through the activities of the oil MNCs, affected the lived realities of local citizens.

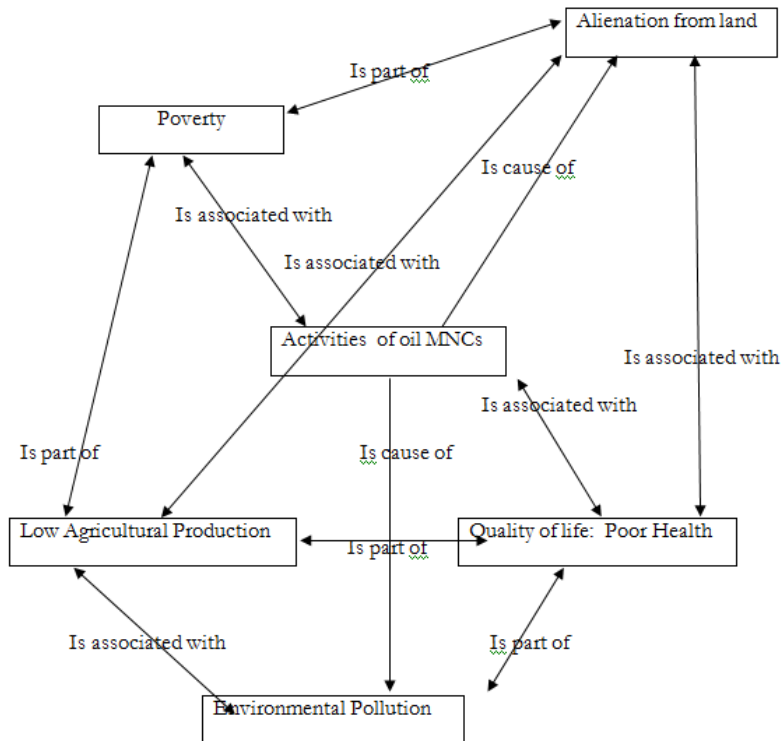
Analysis of Results

To explore the complex phenomena hidden in data collected from the five communities in our study, we made use of Atlas.ti 6.2 computer programme for qualitative analysis of large bodies of textual data, such as interview transcripts. This programme was also used to measure and analyze the relationships between categories and variables that we pre-determined. Accordingly, in transforming our qualitative data into useful knowledge, Atlas.ti 6.2 became functional in the visualizing of emerging relationships from the study and was also useful in the graphic presentation of these relationships as shown in this section of our paper.

Our study confirmed that, the vast wealth produce from the oil found in the Niger Delta region has not trickled down to local masses. While the people in this region have experienced the adverse effects of oil extraction for over five decades, they have not had any tangible benefit from the oil wealth. Instead, their quality of life and environment have been degraded as a result of oil exploitation. For instance, people in the five communities of our study area as in the entire Niger Delta region are primarily peasants farmers, fishers, food processors, craftspeople and artisans who sustain themselves from their own land and labour. In this regard, any destruction or destabilization of the ecosystem would have detrimental consequences on the people given that their only means of sustenance and household economy depends on land and the natural environment (Adalikwu, 2007). Data collected from these communities revealed the adverse impacts of oil exploitation and exploration in Obelle, Obagi, Obite, Ogbogu and Omuku. These adverse impacts include alienation from land, environmental pollution, low agricultural production, poverty and poor quality of life.

The following is the analysis of the relationships between these five variables that represent the paradox of economic globalization. Our data revealed that there is a relationship between the activities of the oil Multinational Corporations (MNCs) in these communities and alienation from

land. The activities of the oil MNCs are the cause of people’s alienations from their land, which ultimately impact on their means of sustenance where the traditional means livelihood is farming. This alienation from land is supported by the Nigerian Land Use Act of 1978, which has dispossessed the people of any right to ownership of land in the region. The diagram below also shows that the non-viability of farming as an occupation is a consequence of the activities of the oil MNCs which renders the local indigenes incapable of providing the basic economic needs for their families.



Atlas.ti 6.2 network view of the negative consequences of oil multinational activities

Poverty is associated with alienation from land because; when people do not have accesses to viable farmland their means of livelihood is negatively affected as agricultural production decreases. This situation in our opinion is a good recipe for poverty as people are rendered unable to provide the basic needs of their families and instead become economically dependent which is indicative of the paradox of economic globalization. Thus, we argue that when people whose mainstay comes from farming do not have access to adequate and fertile farmland, they are rendered poor as they are unable produce enough food for their families and for commercial purposes.

The activities of MNCs have also been associated with environmental pollution through gas flares, oil spills, use of old oil pipe lines, laying of surface oil pipe lines, use of open oil wells with rusted oil well heads, and pipe blow-outs some of which are shown in the pictures below:



Gas Flare in Omoku City



Gas Flare in the Centre of Omoku City



Gas Flare in Obagi



Open Oil Wells with Rusted Oil Well-Heads in Obite



Surface Laid Rusted Oil Pipe Lines in Obagi

These pictures support the assertion that the presence of oil MNCs in these communities is the cause of chronic environmental pollution which is negatively impacting the environment and

health of the indigenes. Based on the data used for this paper, we posit that the state of oil exploration and extraction in the Niger Delta region has led to environmental pollution and health issues for the indigenes.

The paradox of economic globalization is further illustrated in the quest of the Nigerian government to create a favourable environment for foreign investment and trade. This phenomenon has essentially dislocated and disenfranchised the masses. Thus, we assert that the forces of economic globalization have privileged the private over the public sphere through economic policies like trade policies and structural adjustment programmes (SAPs), which further marginalizes the masses. International trade policies do not adequately establish trade laws that protect local citizens, instead the focus is on the maximization of profit and efficiency of human and material resources in host communities to the detriment of the indigenes. On the other hand, SAPs have primarily resulted in the poor people of the world becoming poorer and marginalized from their means of livelihood, a situation by which the indigenes in our area of study have not been immune from.

It is also interesting to note that, 90 percent of Nigeria's foreign exchange earnings and 80 percent of the federal revenue is from the Niger Delta region's oil wealth (Adaliku, 2007), yet the region lacks simple necessities of life with no adequate health facilities and infrastructure for basic education. Based on the data collected from the five communities of this study, we can infer that both the Nigerian government and the various oil MNCs in the Niger Delta region are more interested in oil exploration and extraction than in helping the people in these communities by providing proper infrastructure that promotes a good quality of life.

Conclusion

There are overwhelming data to support the assertion that the processes of economic globalization in the last few decades have rapidly and continuously restricted people's lives, widened the gap between the rich and poor, developed and undeveloped, north and south, resulting in a fragmented globality. Based on the findings of our study, the experiences of the people of Obagi, Obelle, Omoku, Ogbogu, and Obite show the paradox of economic globalization. While one of the most important mechanisms of globalization is increased trade in goods and services across national and international borders, our study has shown that the dynamics of economic globalization have severely impacted the lives of people in the Niger Delta region due to the uneven interactions between the masses, Nigerian leaders and the oil MNCs. For instance, while the increased oil exploration and extraction in Obagi, Obelle, Omoku, Ogbogu and Obite have alienated the people of these communities from their farmlands, polluted their environment and robbed them of their traditional means of livelihood, both the national and the international policymakers are either too slow or too incompetent in making policies that will ensure the even distribution of the oil wealth thereby, stripping these communities of the resources that would have enabled them to re-educate themselves in a way that will empower them to effectively compete with people from other regions and against their foreign counterpart

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