THE TRENDS OF SOCIO-ECONOMIC ACTIVITIES IN NIGERIA: GLOBALIZATION IN VIEW

Globalization is a case of two sides of a coin. To the American or Western European city-dweller, globalization means Tacos for lunch and Pad That for dinner, a Victoria’s Secret underwear that says “made in Sri Lanka,” and a glance at the online editions of Fox News, Haaretz, Al-Jazeera, and BBC for views on US intervention in the Middle-East peace process or postponing a business meeting in Hong Kong until the SARS epidemic is under control. For the Chinese entrepreneur, globalization means China’s entry into the WTO and subsequent trade liberalization, which open up business prospects in the import-export that ensure for him a share in the growing wealth of the country. To the owner of a small-sized family farm in Brazil, however, forced out of the market because of local and international policies favouring corporate agricbusiness, globalization will dictate a very different story. And for the young Bangladeshi woman who left her village to work in the new export processing Zone established by the government to attract Foreign Direct Investment, only to find herself sewing shoes for Nike under hazardous physical conditions and constant threat of sexual abuse in
return for wages that barely allow for food on the table, globalization brings with it myriads of contradictions. On the other hand, what definition do you think a widow (of eight children) whose husband got burnt and died in a multinational factory due to lack of a watertight fire prevention system give to globalization? There are, indeed, many faces of globalization.

The determinants of the wealth and poverty of nations are many- a combination of natural and created circumstances. Though well-endowed with natural resources and human potential, **the poverty of third world countries is the result of a history of artificially created dependency and exploitation during colonialism, subsequent political instability and conflict, corrupt and self-interested leadership, economic mismanagement, missed opportunities and distorted priorities, a victim mentality, and most recently, being thrust onto an uneven global playing field with little preparation and no head start.** The countries of the developed world, however, entered the era of globalization with all the bargaining chips in their hand. Though a of number of strategic, technological, and other factors contributed to, and continue to augment, their wealth and power, **it must be noted that complete submission to the principles of globalization has not**
been one of them.

Furthermore, I believe that selective application of these principles, as well as inconsistent tolerance of the often-legitimate need to “manage” transition into the global economy, have been important factors in the inability of globalization to create wealth for all. Although advanced industrial nations are now in a position to commit themselves, at least in theory, to trade and financial liberalization, they have acquired the wealth and status they currently enjoy not by indiscriminately opening up their borders and markets and allowing the logic of the invisible hand to direct the course of their progress. Rather, they have adopted carefully formulated protectionist measures, including tariffs, subsidies, and anti-dumping legislation, and continue as we speak to introduce fresh measures. Through these market distortions they have consistently sheltered and strengthened key industries, such as steel, textiles, and agriculture in the United States, which then pose a threat to unprotected producers in developing countries that open up their markets. Also, through measures aimed at protecting “import sensitive” industries, countries such as the United States restrict access of foreign producers to their markets, thus limiting the export
potential and growth of foreign industries. For example, Chile was hit with antidumping legislation against fresh salmon and preserved mushrooms in 1998, and U.S. imports of Chilean salmon fell from $32 million that year to $13 million in 1999, while imports of Chilean mushrooms dropped to zero. During the last quarter of 2001, Argentine honey was hit with anti-dumping duties ranging from 27 to 55 percent.

There are two issues of importance here. First, that the advanced industrial economies that are today reaping the fruits of economic integration used measures to protect key industries; patronize export-oriented industries to make them more competitive in the world market, and strengthen their economies. So when the era of globalization dawned, they hit the ground running. However, such laxity to manage their foray into the global economy is not extended to developing countries, which may also need time and government’s intervention to encourage existing and potential export-oriented industries, and also to invest in alternatives to the cheap and unstable agricultural exports on which they are heavily dependant. Second, by continuing to adopt protectionist measures, while twisting the arms of developing countries, the developed economies send out the message, “Do
as I say, not I as do,” and the distortions produced by these double standards disrupt the logic of the market. There is subsequently an imbalance between projected and actual results, mostly to the detriment of the poorer countries. So while more, not less, economic liberalization may be the key to the world’s economic problems in the long term, its selective application is creating serious imbalances of wealth in the short term, and such inconsistency must be rejected.

By condemning profit-making enterprises for doing what is their raison d’etre and expecting them to give precedence to compassion over profit-making, anti-globalization activists are barking up the wrong tree. Widespread corruption, embezzlement of public funds, unjustifiably huge defense expenditures, nepotism, tax evasion, and non-performance of duties at the highest levels has trapped entire nations in a cycle of poverty that predates the era of globalization and the arrival of multinational corporations in the developing world. Although these businesses have taken advantage of the adverse conditions, their removal will not solve these problems. In fact, if foreign investment-direct or through out sourcing-did not create employment opportunities, unemployment levels would be even
higher, and given the absence of a social security network in the vast majority of third world countries, poverty would be even more rampant. Economic mismanagement and ill-advised policies on the part of the government, coupled with corruption, have left most third world economies in a shambles, and trade and foreign investment are often the only way to breathe life into them.

Furthermore, inadequate emphasis on education, training and human capacity building means that a large number of people are capable only of unskilled and semi-skilled labour, and are also unable to understand and hence benefit from the opportunities made available by globalization. This, again, is not the responsibility of multinational corporations, but rather of individual governments.

The relative wealth and poverty of countries before the dawn of the age of globalization to a large extent determined how they fared as members of an increasingly open and integrated world economy. Part of this was because developed countries could use their economic and political influence, independently and through international organizations such as the World Trade Organizations (WHO), to compel developing countries to adopt
the principles of globalization as a single-step process, irrespective of their preparedness for this venture, while themselves continuing to employ protectionist measures. The market distortions created by these measures have disrupted the logic of globalization to the detriment of third world countries. Another major reason, perhaps the biggest reason, for the continued, and even heightened, impoverishment of third world countries as they opened themselves to the world economy is that the parasitic leadership and undemocratic political structure that led them to their decline in the first place, remained in place. Not only did the political elite create the circumstances in which their populations became vulnerable, they now had more opportunities to line their pockets by cutting deals with multinational corporations, who saw how profitable production would be in these countries. Therefore, by allowing their populations to be exploited, and failing to provide them with economic alternatives, basic social services and educational opportunities, they ensured that the poor of the third world became the human cost of globalization. In the face of simplistic slogans denouncing globalization as the cause of poverty in the third world, it is thus important to understand and address the real causes of the economic
imbalance between the developed and developing world, so as to level the playing field and allow globalization a fairer chance to meet up to its claims.

***Let us take for instance, the rifts between the former Central Bank Governor, in person of Lamido Sanusi Lamido (the present Emir of Kano) and the former President, Dr. Ebele Goodluck Jonathan on financial mismanagement in his (Sanusi) write up in the Nation Newspaper, excerpts:

***Missing NNPC $20 billion: Reps to summon Price Water Coopers

NNPC report cooked - APC

*The Nation, Sunday, February 8, 2015*

*By: Olugbenga Adanikin/Frank Ikpetan, Abuja*

Nigerian National Petroleum Corporation’s firm of external auditors, Price Water Coopers, is to be invited by the House of Representatives to shed light on its report recently submitted to President Goodluck Jonathan. The chairman of the House of Representative Committee on Public Accounts, Solomon Adeola, who announced this said the firm has some explanations to make on its report which indicated the NNPC for only $1.48 billion as against to be missing from the account of the corporation. The National Publicity Secretary of the All Progressive Congress (APC), Alhaji Lai Mohammed has also dismissed the auditors’ report as “cooked up”.

**Anatomy of Nigeria’s $20 billion “leak”**

*The Nation, Sunday, February 8, 2015*

*By: Tim Cocks and Joe Brock*

Abuja Nigeria (Reuters) in late 2013 Nigeria’s they central bank governor Lamido Sanusi wrote to President Goodluck Jonathan claiming that the state oil company had failed to remit tens of billions of oil revenues it owed the state. After the letter was leaked to Reuters and a local news site, Jonathan publicly dismissed the claim and replaced Sanusi, saying the banker had mismanaged the central bank’s budget. A Senate committee later found Sanusi’s account lacked substance. Sanusi has since become Emir of Kano, the country’s second highest Islamic authority and has smoothed over relations with the president. He declined to discuss his earlier assertions. Before he was sacked, though, the central banker submitter in Nigeria’s
parliament more than 300 pages of documentation in support of his claim, Reuters has reviewed that dossier, which offers one of the most comprehensive studies of waste, mismanagement and what Sanusi called “leakages” of cash in Nigeria’s oil industry. Detailed here, the dossier includes oil contracts, confidential government letters, private presidential correspondence and legal opinions.

Sanusi’s letter and documents do not state whether he thinks the money was stolen or lost through mismanagement. Nor did he make allegations of illegal acts against any specific individuals or entities. Both corruption and bad governance are perennial problems in Africa’s most populous nation, and central issues in elections due on Feb. 14.

Nigeria’s oil industry accounts for around 95 percent of the country’s foreign exchange earnings. If Nigeria continued to leak cash at the rate described in his letter to the president, Sanusi said at the time, the consequence for the economy would be disastrous. Specifically, the failure of state-owned Nigerian National Petroleum Corporation “to remit foreign exchange to the Federation Account in a period of rising oil prices has made our management of exchange rates and price stability extremely difficult, he wrote”. The central bank of Nigeria is always blamed for high rates of interest,” but “given these leakages, the alternative is a devalued currency … and financial instability”.

That is exactly what has happened. As oil prices have plummeted to around $55 a barrel, half their level at the beginning of 2014, Sanusi’s successor Godwin Emefiele has devalued the naira, Nigeria’s currency, by 8 percent, and raised interest rates for the first time in more than two years.

Nigeria foreign exchange reserves are down around 20 percent on a year ago, while the balance in the country’s oil savings account has fallen from $9 billion in December 2012 to $2.5 billion at the start of this year, even though oil prices were buoyant over much of that period. Finance Minister Ngozi Okonjo-Iweala told reporters at a press conference in November that a significant portion of that money was distributed to the powerful governors of Nigeria’s 36 states instead of being saved for a rainy day.

Nigerians are rarely shocked by stories of billions going unaccounted for, or ending up with politically powerful individuals. Africa’s largest oil producer has for years consistently ranked towards the bottom of Transparency International’s Corruption Perceptions Index.

Sanusi handed his documents to a parliamentary inquiry set up last February to investigate the assertion in his letter that billions of dollars in oil revenue had not reached the central bank. He told the inquiry that state oil group NNPC has made $67 billion worth of oil sales in the previous 19 months. Of that, he said, between $10.8 billion and $20 billion was unaccounted for.

A spokesman for the president declined to comment on the specific contents of dossier. He referred to a statement made at the time the banker was pushed out. It said the government “remains committed to ensuring integrity and accountability and discipline in every sector of the economy.

“And indeed we look forward to a situation whereby Mr. Sanusi will continue to assist the legislature in their investigation.”

Those investigations include a “forensic audit” of the oil industry set up by Okonjo-Iweala. The audit was given to Jonathan on Feb. 2 and he said he would hand it on to
Nigeria’s auditor general NNPC said on Feb. 5 it had received a copy of the audit, before it was made public. The firm said the audit cleared it of wrongdoing, although if found NNPC owed the government $1.48 billion for a separate shortfall.

A spokesman for NNPC rejected Sanusi’s allegations and referred Reuters to last August’s Senate inquiry. The inquiry expressed satisfaction that most of the money not remitted was withheld for legitimate reasons. But it urged the NNPC to remit $700 million that the committee said it could not account for.

Diezani Alison-Madueki, the oil minister who oversees NNPC, did not respond to a request for comment. She told the inquiry at the time that the correct sum for money not remitted was $10.8 billion, which was to pay for subsidies.

The NNPC has consistently said it did nothing wrong. The oil company said last year that Sanusi’s allegations came from his “misunderstanding” of how the oil industry works. The central bank is “a banking outfit… how will they understand petroleum engineering issues?” then managing director Andrew Yakubu asked journalists. “They are not auditors.”

Sanusi’s claims were seen by some Nigerians as part of the historic tensions between the country’s wealthy, Christian south and poorer Muslim north. Jonathan and oil minister Alison-Medueke are Christian from the oil-producing Niger Delta in the south, Sanusi is a Muslim from the country’s north, as is Muhammadu Buhari, a former military ruler of Nigeria who is the main presidential candidate running against Jonathan. The two regions have historically taken it is turns to hold the presidency. Since 2009, though, Jonathan has broken with this tradition.

Sanusi has said any notion there were religious or ethic polices behind his allegations is absurd. He has declined to be interviewed since becoming the Emir of Kano.

But last April, two months after he was sacked but before he took on his new role, Sanusi told Reuters he worried that the sheer quantities of cash going missing were “unsustainable”

“You are taking what doesn’t belong to you and transferring it to private hands”, he told Reuters, “The state is captive to vested interests.”

NO –BID CONTRACTS

Sanusi’s documents identify three key mechanisms through which Nigeria has allegedly allowed middlemen to channel oil funds away from the central bank. Among the recipients, Sanusi alleges are government officials and high-flying society figures.

The three mechanisms are contracts awarded non-compitively to two companies that did not supply services but sub-contracted the work, a kerosene subsidy that doesn’t help the people it is meant to, and a series of complex, opaque “swap deals” that might be short-changing the state.

Sanusi’s concerns around the first of these mechanisms centre on the 2011 sale by Royal Dutch Shell of its interests in five oil fields. The blocks were majority-owned by NNPC. The government, keen to end the domination of the oil industry by foreign oil majors, had been encouraging Shell and others to sell to local firms.

Shell sold its interest in the fields to companies in Poland and Britain. But the new owners did not get the same rights Shell had. TO promote local control, the NNPC gave the right to operate the fields to its own subsidiary, the Nigerian Petroleum Development
Without soliciting bids, the NPDC signed strategic partnership agreements’ worth around $6.6 billion with two other local firms to manage them.

One firm, Seven Energy, signed for three fields another, Atlantic Energy, for two.

Seven Energy was confounded in 2004 by Kola Aluko, an oil trader and Christian southerner. Aluko also co-owned Atlantic with another southerner, former oil trader Jide Omokore. Atlantic was incorporated the day before it signed the deals.

Geneva-based Aluko is a high-profile member of Nigeria’s elite. He owns a fleet of suspencars, including a Ferrari 458 GT2 that he races with Swiss team Kessel Racing. He also owns a $50 million yacht, according to Forbes magazine, and divides his time between a $40 million home in Los Angeles, an $8.6 million duplex on Fifth Avenue in New York and homes in Abuja and Geneva. A colleagues describes him as a “work hard, play harder kind of guy. He’s extravagant, That’s just his style”

Aluko, whose stake in Seven is now minimal, did not respond to emailed questions.

Omokone has also become rich from oil and gas. Forbes has estimated annual revenue at another of his companies, Energy Resources Group, at $400 million. His jet-setting lifestyle is a regular feature in the local press. Omokore could not be reached for comment.

Reuters has reviewed the contracts the firms signed with NPDC. They give Seven Energy 10 percent of profits in the three oil blocks it operates, while Atlantic gets 30 percent of profits in its two blocks. The contracts also show that, unlike Shell, neither firm pays royalties, profits tax or duties to the state.

Both companies quickly sub-contracted production work to other operators according to Sanusi’s submission to parliament and several market sources. The companies did not disclose terms of these contracts.

Atlantic does not publish accounts, but Seven’s 2013 annual report shows its deal with NPDC helped its revenue more that triple to $345 million.

In may 2013, Nigeria’s parliament threatened to investigate the NPDC contracts because they were not issued through competitive tender. But the NNPC argued no tender was needed because the contracts involved no sale of equity in the oil fields the probe did not go ahead.

Sanusi’s did not accuse Seven and Atlantic of any illegalities, but he did question why the NPDC chose those companies. His report said the deals only purpose seemed to be acquiring assets belonging to the federation (state) and transferring the income to private hands.”

Asked about this, NNPC referred to the Senate report, which found that no-bid partnership agreements are not new. It also said that “it may be good policy to encourage indigenous players by giving them greater participation”, but called for such deals” to be conducted in a transparent and competitive manner.”

Seven did not comment. It says on its website. Its agreement with NPDC, predated the Jonathan administration and included an allowance for taxes. The company says it has invested more than $500 million more than doubted production from its three blocks and paid $48.8 million in taxes in 2013 Atlantic did not comment.

KEROSENE SUBSIDIES
The second mechanism Sanus’s report identifies as problematic is a decades old state subsidy provided to retailers of kerosene, the fuel most Nigerians use for cooking. Nigeria lacks the refining capacity to make kerosene, so imports it instead. The government then sells the kerosene to retailers at a cheaper price than the import price. This subsidy is meant to make kerosene affordable for the poor. In reality, though, retailers have long hiked prices so consumers pay much more than official levels.

In June 2009, Jonathan’s predecessor, Umaru Yar’Adua, ordered a halt to the scheme on the grounds that it was not working. But the subsidies carried on regardless. The NNPC told parliament last February that it still deducts billions of dollars a year from its earnings to cover it.

In his report, Sanusi called the kerosene subsidy a “racket” that lines the pockets of private kerosene retailers and NNPC staff. The report estimated the cost of the subsidy at $100 million a month. It said kerosene retailers there are hundreds of them around the country routinely charged customers much higher prices than the government pays to import the fuel.

Sanusi’s report included an analysis of kerosene prices across Nigeria’s 36 states over two years. It found that the government buys kerosene at 150 naira per liter from importers and then sells it to retailers at just 40 naira per litre. Sanusi’s analysis found consumers pay an average of 170-200 naira per litre, and sometime as much as 270 naira. The margin of 300 percent to 500 percent over purchase price is economic rent, which never got to the man on the street, “Sanusi wrote”.

NNPC said in a statement last year that is can’t force retailers to sell kerosene at the subsidized price.

SWAP DEALS

The third mechanism Sanusi identified involves other types of refined petroleum products, such as gasoline. :Like kerosene, these are also imported. Nigeria is Africa’s biggest oil producer but it depends on imports for 80 percent of its fuel needs because its refining capacity is tiny.

To pay for the imported products, Nigeria bars its crude oil Sanusi’s dossier focuses on these barter exchanges, which we known as “swap deals” The idea is that importers who bring in refined fuel worth a given amount receive an equivalent value in crude oil. How that equivalent value is determined is unclear Sanusi said he was uncertain now much, if anything is lost in these deals. But he expressed concern at the sheer value of oil that changes hands and the lack of oversight. His report estimated that between 2010 and 2011, traders involved in swap deals effectively bartered 200,000 barrels of crude a day worth nearly $20 million at average crude prices over the period for a loosely determined equivalent value to refined products. It is impossible to tell, he said, it all the refined products were delivered, let alone if the terms were fair.

“It was clear to us that these transactions … were not properly structured, monitored and audited,” he wrote.

Sanusi wrote in his report that mismanagement and “leakages” of cash in the industry cost Nigeria billions of dollars a year.

Since the price of oil has fallen by around half since the start of 2014, such losses are even more significant. As it approaches elections, Nigeria faces plummeting oil revenues
and a lack oil buffers to shield the economy. Construction projects are on hold and the government is struggling to pay its sizeable workforce. Multiple scandal in the oil sector since Jonathan took power have boosted the popularity of his rival, former military leader Muhammadu Buhari remembered by some for deposing a civilian government in a 1983 coup and trampling on civil liberties, the sandal wearing general often promises to free Nigeria from corruption. Jonathan, too says he will “clean up” Nigeria. By using technology and strengthening institution, “I will solve the problem of corruption in this country,” he told a crowd in Ibadan in January.

Report Reuters

North’s gov’s N2bn mansion unsettles Aso Rock
House overlooks seat of power
Anti-graft agencies may intervene
The New Saturday, April 25, 2015
Yusuf Alli, Managing Editor, Northern Operation

There are security concerns over a N2billion mansion overlooking the Presidential Vila, just completed by an outgoing governor from the North. The mansion is said to be built at an elevated point within the precincts of the Vila, making the seat of government vulnerable to “espionage” from the governor’s comfort zone. It was not clear if the governor would be asked to remodel the new residence, be subjected to an undertaking or be placed on surveillance. Investigation by our correspondent revealed that the governor had acquired the choice plot, said to be worth over N1billion, in anticipation that he might play a key role if President Goodluck Jonathan was re-elected.

It was gathered that the governor had planned postoffice life in such a manner that his residence would be a stone’s throw from the seat of power, but his dream crashed following the loss of the March 28th poll by the President.
The Economic and Financial Crimes Commission (EFCC) is probing 25 members of the House of Representatives over alleged N90billion botched budget padding. The anti-graft agency has forwarded the names of the affected lawmakers to the Code of Conduct Bureau (CCB) so as to retrieve their assets declaration forms. This brings to 41, the number of suspects under EFCC’s investigation for budget padding.

N36m Mystery snake Saga more shocking Revelations as JAMB official Blames Boko Haram for missing N6m
‘Another claims he loaned N7m to colleagues in need’
Board recommends nine officials for sack
… to hand over suspectes to EFCC for prosecution
The Nation Saturday February 17, 2018
By: Frank Ikpefan, Abuja

GLOBALIZATION AND THE FUTURE OF FINANCIAL SERVICES

INDUSTRY IN NIGERIA

Introduction

Has the Financial and Industrial System in Nigeria Developed to meet up the global technological requirements?

In order to address the real above issue, therefore, it is how to create an environment in which it can properly be understood and function; some of which are discernible:

What future for Nigeria and her financial services industry?
How can financial services industry in Nigeria connect or bring about financial inter-relationship between people of vast geographical distance in the changing world?

Making the future of Nigerian financial services industry better.

Deregulation and privatization may be introduced.

Noteworthy, the word globalization and financial services industry in Nigeria, is the act of embracing and bringing an operation abreast with groups of people, or community into a particular focus. This is bringing the whole world into association irrespective of the gulf in geographical distance. The question is, How can financial services in Nigeria connect or bring about financial inter-relationship among the people of vast geographical distance? Well, the answer is not far-fetched. Because the age in which we are is fully sophisticated with the huge balance of technology among which are the communication devices such as the computer networks and Internet, insurance, the Western Union Money Transfer, Money Grams through the banking sector and the world use of World of Smart Cards as micro processor in the computer Net work. The use of Global Mobile System that was in the offing before has already emerged for the past few
years and since has been found useful in the Nigeria financial services industry. Hence, these modern communication devices serve as a Workshop through computer networks to the whole world as a Global Village in mapping out strategies that will tremendously enhance Nigeria’s financial serves industry in the country and beyond.

Obviously, there are no easy answers to these questions given their economic, social, political, strategy, legal and environmental dimensions. However, what is clear is that we do want to transit from an inefficient, wasteful, environmentally, damaging energy state to a more desirable state characterized by economic and environmental sustainability driven by private initiative and enterprise, sound incentive structure, pricing mechanism, greater transparency in market transactions and environmental protection.

What future for Nigeria, and her Financial Services Industry?

I believe that we all really want a change, and a rapid transition for the better soonest. The vigour, pain and the economic, social, industrialization, and environmental costs of muddling through of the past, point to the need
for radical and drastic departure from the traditional business as the usual
approach to our problems.

Really, I will like to use the rest of my presentation to illuminate some
of the questions posed above in order to aid a better understanding of the
emerging issues in the transition from chaos and crisis to a more stable and
competitive energy and financial services industry in Nigeria as it affects
globalization. The basic proposition of this paper is that economic
imperatives lie at the heart of economically and environmentally sustainable
solution to the problem of financial services industry in the country. In broad
terms, Nigeria’s industrial crisis is a classic illustration of how inappropriate
incentive structure and institutional weakness results in poor economic
choices, but more importantly, create unnecessary but expensive socio-
economic problems. One must not fail to point out the important role of
political economy considerations in what I call the minimum bang approach
to overall sector reform, and especially the slow pace of institutional
changes (market deregulation and de-monopolization) required to quickly
eliminate the expensive market disequilibrium.

The rapid rate of globalization is making smaller members of the
commonwealth more vulnerable and insecure among which Nigeria is the
typical example. Overcoming vulnerability provides a compelling and
comprehensive analysis of the problem of survival facing such nations,
especially Nigeria and her financial services industry in all its dimensions,
including politics, economy, social and environmental aspects. This is a
welcome contribution to the issue of how financial services industry can
overcome their shortcomings. Despite their vulnerability on the economic
and environmental fronts, some firms, ironically, are politically and
financially stable.

These firms demonstrate an enviable record of political stability
adherence to the principles of democracy. Unlike some of the community
banks and firms that are not clean enough in their financial dealings with
their customers, in terms of their services, there must be caution in that,
there is no room for complacency for the financial services industry that are
making it or are financially stable for its order to break down. Thus, Conflict
can quickly threaten the survival of such financial services industry as we
can witness the present rate of misappropriation and corruption in our
banking sector. Nevertheless, the forces of globalization may sustain them in
no time.

Therefore, it is important to ensure that the capacity exists for these surviving services industry to sustain political and financial stability and security in our system.

However, there are other areas which are of critical importance to our financial services industry: the disastrous consequences of global warming, environmental fragility; vulnerability to criminal activities, such as money laundering, drug trafficking and possible threats to security arising from the trans-boundary movement of hazardous waste and nuclear materials.

Financial services industry in Nigeria is more prone to the vagaries of climate change, political instability, for instance, the Niger-Delta crisis, policy somersault of any incumbent government and natural disasters etc.

According to the president of Maldives, Mammon Abdul Gayoom during the third meeting of the Commonwealth Ministerial Group on Small States (CMGSS) held in Edinburgh, “The price of ignoring global warming will be very high”. It is also discovered that our financial services industry in Nigeria do not have enough resources to tackle global warming (embracing). Therefore, the survival of some of these services industry depends on proper
control of both the economic and political environment.

Hence, this will offer government the opportunity to make such commitments i.e. (the proper control of both the political and economic environment) which would have direct relevance for financial services industry of our country, Nigeria.

There should be measures needed to preserve the environmental security for our services industry by the Government. For instance, viable programmes such as seminars, conferences being tailored environmental security that will reflect in development issues of a nation.

Second, strong base of infrastructural facilities such power, reliable pipe borne water and others are to be provided by the government as to ensure good sustainability of our industrialization in enhancing our national development. Again, the Government should give priority to the needs of these services industry in areas such as the management of economic zones and improved access to environmental sound technologists that will boost and enhance our financial services industry in the country.

Nonetheless, the affected services industry should also acknowledge that the global economic system exposes their vulnerability. For instance the
preferences which these service industries being enjoyed in major market are
steadily being diminished as a result of both the unfavourable business or
economic climate change, and other environmental pollution. This problem,
is more acute in the case of small firms or the affected services industry
since their competitiveness is partly affected by scale-related issues.

Hence, it is imperative that small firms’ concerns are taken into
account in renegotiated trade arrangements, especially, with the International
Financial Institutions (IFIs), should be another matter of concern.

Many of them (our financial services in Nigeria) are no longer eligible
for direct IFI support because of their relatively suffering from acute
vulnerability. For example, at the meeting held in the Edinburgh, Chief
Anyaoku stressed: “the IFI’s and bilateral institutions should reconsider their
present approaches to graduation (from IFIs) by taking into account the
particular vulnerabilities of small countries”, of which Nigeria’s financial
services is not an exception. Thus the small countries can jointly have the
bargain position.

For instance, the Commonwealth Ministerial Group on Small State
(CMGSS) recognized the serious consequences for small states of fall levels
of official development assistance. In addition to calling for a reversal of this decline, the ministers appealed for greater capital flows to less highly populated nations, which often face difficulties in attracting foreign investment.

Finally, small states, especially, Nigeria financial services industry as a case study do not want any sort of international charter on the security of her financial services industry.

Therefore, these Nigeria Financial Services Industry should advocate new models of global collaboration that would aid her to achieve viable purposes for her industry. It is in this vein, that would enable these financial services to find their footing in a new world order and which would provide a sound basis for them to formulate plans to promote their development security and financial base.

**What Is Globalization?** What is it about (i.e. intention). Should Nigeria get into the circle? What does it stand to gain?

**Globalization and Civil Society: NGO Influence in International Decision-Making**

Globalization, according to Tyetzlaff (1998) is widely seen as the
expansionist takeover of the present-day developing countries by the Western Market-Model in the course of which traditional cultures disappear. The system associated with a capitalist market-economy and formal democracy is disseminated and the less developed economies are forcibly integrated into a world market dominated by the industrialised countries.

In this sense, globalization allows the rich nations and a corporation to get richer because they have the capital and power to enforce trade agreements that favour their interest and which further the emergence of a new order from which many countries in sub-Saharan Africa are excluded because they cannot compete effectively. Hence, capital, power and the needed for profit maximization that characterize the notion of globalization, apply equally to the unprecedented growth with the private security sector.

Therefore, many would wonder how globalization process constitutes a generic factor to conflict around the world. Globalization is a process of economic, democratic and social revolution which has intensified is an ongoing manner since the fall of communism in 1989. In particular, citizens of many countries more than ever, are demanding political and economic accountability in the hands of their governments and leaders.
Reacting to this wind of change, Emeli (2007) asserted that anti-globalization protests and demonstrations have escalated, compelling world leaders to hold their summits in isolated areas. Such protests took place in Seattle December 1999, Davos February 2000, Melbourne September, 2000; Nice December, 2000; Davos-Zurich January, 2001; Quebec April, 2001; Barcelona June, 2001; Gotheburg June 2001; Cacum 2003.

The conflict that generates from the process is of two dimensions. One relates to the conflict of continuous economic divide and marginalization of the poor South by the rich North and to which the above protest and demonstrations are directed. The second, perhaps more specific, are the structural economic reforms currently going on in developing countries in response to World Bank description of public sector policy change and management. In many countries including Nigeria, a cut in the size of public sector labour force, for example, resulted in conflict between the government and organized central labour led by the Nigerian Labour Congress (NLC).

In Zambia, the President announced December 2006 that it would not implement the World Bank prescription of increasing consumption tax to avoid major conflict with citizens. Hence, the market economy on which the
policy change partly focuses does not allocate resources justly. Some citizens benefit more compared with their fellow citizens, sometimes at the expense of the poor in the society.

The questions are, Should we then say that globalization is both a blessing and a curse to global society? Hence, religious factor and globalization process have added to the casual factors of conflict in the society, for instance, the insurgency of the so called Boko Haram especially in the Northern part of this country, Nigeria.

Nonetheless, it is not important that conflict occur in our societies. That the most important thing is whether such conflicts are amendable to resolution.

Finally, on this note, conflict resolution, however, is based on social justice; it is an arrangement that makes either parties or persons better off without making the other worse off. If social justice is anything that informs conflict resolution, adequate truth telling, then institutional reforms and good governance transparency, accountability are important inputs and tools of democracy.

Hence, this conflict resolution had left behind it the stratification of
society between the rich political class and the poor, ignorant masses.

**Strategic and Impact**

It is indisputable that civil society has been successful at bringing now issues to global attention. The UN and the international conferences of the past decades have been an effective venue for this. Environment, sustainable development, population, food security, urbanization, women’s rights and human rights: these complex and substantive global issues are not only on the international policy thinking, university education, media attention and intergovernmental negotiations.

More direct methods have also been adopted, such as campaigns and boycotts, which are intended to have a more direct impact. The boycott of Nestle because of its marketing of breastmilk substitutes has resulted in a change in the way international corporations understand and manage public policy. The boycott of international companies with investments in South Africa was a major factor in the external pressures that resulted in the collapse of apartheid. The campaign against sweatshop labour in factories subcontracted to large apparel companies resulted in several firms, including
Levi Strauss and Gap, adopting codes of conduct for their firms and their subcontractors.

Civil society now has the power to achieve what appears to be spontaneous action in new arrears. Arriving without warning to those outside the CSO community. These campaigns are actually the result of years of consciousness-raising, education, organization and network-building. These channels alone may not be sufficient to achieve responsible global governance, but civil society is showing remarkable creativity at keeping elements of undemocratic global power on the defensive and continually raising the issues of equity, justice, human rights, sustainable development, community empowerment and health.

Clearly, civil society has put considerable global pressure on a range of issues and fora. But overall, when it comes to global governance, it remains difficult to assess its impact. Growth in numbers does not assure commensurate influence. The urgency of some of the issues raised by CSOs, and the strength of their moral authority, does not always mean that CSO energies are used strategically. Success in specific areas like human rights may not translate into success in others. This section will therefore try to lay
out the process of global decision-making and evaluate the impact of civil
society at various points in this process. Of course, different opportunities
will result in different approaches and strategies. At the UN, where civil
society integration is relatively well developed, a range of methods are used
to influence decision-making. At fora such as the WTO, where access is
limited or denied and there are few processes for the integration of civil
society, NGOs are inventing and re-inventing new ways to make their voices
heard.

National Level Lobbying and Influence

In most democracies civil society has a variety of means available to
influence, alter or re-orient a country’s policies. At the formal political level,
CSOs in some countries might lobby parliamentarians, testify before
congress and organize letter-writing campaigns to foreign secretaries or
prime ministers. Government officials might even actively solicit input from
CSOs or request expert evidence. Under other circumstances, CSOs might
hold public demonstrations to exhibit the extent of public support or develop
media coverage favourable to their views. In all cases, the strategy hinges
on developing a public, national position or evidence of interest in a certain position by communities or constituencies important to government officials. Such positions can then be carried into the international arena.

**Human Rights Success**

One area where CSOs have had considerable global impact is in the field of human rights. Consistent pressure from civil society over the years has kept issues alive and relevant. Following strong lobbying in 1945, respect for human rights was accepted in the UN Charter as one of the four purposes of the UN. Over the next 50 years, human rights groups have succeeded in overcoming substantial national government antipathy or opposition by using perpetrators. A legitimate space for NGOs to present cases of human rights abuses was created. In many instances, these groups have made a significant difference in the lives of individual victims and communities around the world. With their ongoing advocacy and campaign work, NGO pressure resulted in the formal creation of the post of UN High Commissioner for Human Rights in 1994, almost 50 years after it was called for in the UN Charter.
With the end of the Cold War, human rights groups are now working actively to integrate a human rights perspective into UN peace-keeping operations. *Human Rights Watch, Amnesty International, Africa Rights* and others have confronted the belief that peace-keeping operations can maintain an objective “neutrality”. Africa Rights has argued in response that there is an objective human rights reality as well, and that this is integral to the mission of the United Nations.

The relative success of the human rights work is a consequence of several factors, including the length of time the issue has been receiving international attention and the broad appeal of its clear moral message. The “migration” of individuals between executive and field positions in major NGOs and in UN human rights operations also has had an influence. Despite their successes, human rights campaigners face enormous challenges. Abuses continue in many parts of the world, impervious to external pressure. There is also a serious backlash within the UN from some governments which challenge NGOs rights of access to the UN system and the information NGOs present to the public. The proliferation of activist groups around the world also presents challenges to the movement, through
the need to retain not only its grassroots but also its international legitimacy and impact.

For CSOs and citizens in authoritarian or repressive countries, international events can have a critical strategic function. For some of these groups or citizens, the international event is an opportunity to continue a local campaign against their governments in support of their domestic struggles. Wangari Maathai, leader of the Kenyan Green Belt Movement, summed this up in a speech to a World Bank in 1993:

…if governments lack political will to apply laws, regulations and agreements to which they have subscribed, only an informed and involved community can stand for the environment and demand development that is sustainable…

Groups like the Green Belt Movement use international event to highlight Kenyan domestic inequity and corruption, hoping to bring international attention and pressure on the Kenyan government.

**Link Between Economic and Political Development and Conflict**

Why would conflict exist at all in the society? Why do men seek peace within and after conflict in their societies? Politics and Economy ar
inextricably mixed, and in any society there will be people who inevitably want to achieve their satisfaction by acquiring power or economic resources, legitimately or illegitimately.

Therefore, where interests contradict, there will be conflict. No society can be said to be conflict-free, except that the severity of conflict varies from one society to the other, depending on the sophistry of institutions that manage conflict and allocate values. Conflict stifles economic development. Hence, the summary point here is that conflict is part of every society.

In essence, where civil conflict is high, economic development is often very elusive. Let us see the Boko Haram insurgency in the North Eastern part of the country since 2009, where thousands people have been killed and property worth millions of naira have been dashed away, and where thousands have been rendered homeless.

But where economic development has attained or is appreciating expansion and high growth rate, conflict is often very low or decreasing. This is not to accept that fact, however, that the ill performance of any economy is all attributed to conflict. Rather, the purpose is to draw a relationship between conflict and economic development where they occur.
Since the far-reaching purpose of peace in the society is economic development and which if interpreted, implies several variables, such as standard of living, conducive and quality environment for education and so on, conflict is therefore considered as an obstacle to progress, political stability and economic prosperity as a result of its destruction impact on society (Best, 2006).

Similarly, conflict endangers economy developments and overall standard of living. We have alluded to some generic factors which could be attributed to religious and ethnic crisis (such as the Fulani and the Tiv in Benue State, the middle belt area of Nigeria). The causes of inter-state or civil conflict are peculiar to them and varies, too.

Yet another example; the World Economic Forum (WEF) 2014 and 2015 competitive raking (which usually shows governments’ ability to implement public policies and allocate values efficiently in the states around the world and therefore peace, stability and prosperity) indiateed that only South Africa (42\textsuperscript{nd}), Botswana (48\textsuperscript{th}) and Mauritius (52\textsuperscript{nd}) in Africa met the average minimum cooperative index of 5.0%. the other 50 states were
under 3.5% peace and stability therefore are the basis of economic development. They both offer civilized and better standard of living.

*How Can Financial Services Industries In Nigeria Connect Or Bring About Financial Inter-relationship Among People of Vast geographical Distance In The Changing World?*

Without characterizing the said global macroeconomic systems and the development of the transnational economy, it is important to say that they are factors that have determined transparency of state boundaries and have limited national independence of Nigeria as one of the member-states in Africa to a great extent. The destructive para-economy is not purely a Nigerian phenomenon, but also features prominently in the economies of some other countries in Africa and beyond, such as Columbia and Chechnya. There are other firms of globalization, but they work only from the standpoint of protecting the interests of the West.

The world market implies free movement of not only capital, information, goods and services but also of manpower, a kind of global apartheid system is created where the role of the deplorable known as
‘Bantustan’ is reserved for most of the African, Latin American and Asian countries. But, it is a sub-stratum just for the criminal economy, for mass discontent, which cannot but lead to explosions of the most unexpected forms. For example, Nigeria’s component of the ‘destructive’ economy is drugs manufacturing and smuggling, trades in humans and the illegal extraction of human organs, *(ritual killings in some strategic points called the kidnapping squads all over the place)*, the sale of metals and money-laundering. As in some kidnapping cases of some bank chiefs being arraigned to the court in recent time. But, even a ‘booty’ economy cannot exist without relying on the ‘legal’ and ‘civilized’ economy, which ultimately absorbs the products and capital of the decomposing economies in the final score.

For example, the former president of Zaire, Mobutu Seseseko’s $7 billion, $50 billion worth of Nigeria capital, $120 billion of Rusian origin – all amounts pumped through black and grey channels became the Western ‘legal’ economies booty.

Hence, Nigerian looters have immensely contributed to the economic sabotage, and has adversely affected the country’s financial services
industry. At this juncture, can we say that, Nigeria is indisputably, the African economic giant?

For instance, the recent economic meltdown boils down very much on the banking sectors in particular where some bank managing directors were arraigned at the court by the Economic Financial Crime Commission (EFCC) to that effect.

In another development, in January, 2009, as the Compass Newspaper has it in its front page that the sum of N800bn was used to save some banks in which 72 directors were appointed to monitor their quick recovery.

In the same vein, in May 2009, another N400bn was used to save some banks. Equally speaking, a few months later, another N420bn was also used to save five other banks, all totaling N1.62trillion. whereas, this year budget alone was N3.4trillion; which means 48% of the annual budget had already been used to save only one sector in the economy. Meanwhile, the United Nations of Educational Scientific Organization (UNESCO) in its policy has mandated the Nigerian government that at least 26% of its annual budget should be used to fund the educational sector, the reverse is the case with our political leaders. Yet there is an economic meltdown. Who melted it
down? Ironically, many children of these visionless leaders are in overseas studying while some are already employed there. Are all these part of the so-called ‘Rebranding Nigeria’? or is it to enhance her financial services industry in Nigeria?

**Foreign Debts and Its Servicing:** Foreign aid often hampered reforms, encouraged corruption and sometimes had nothing to do with the real, practical problems. The aid ‘worked’ only when it is limited time and therefore does not become a drug, being part of the general strategy of economic growth. Most financially bankrupt African states need a fresh start based on a cardinal reduction of their debts, in combination of economic reforms and a review of law and order in the political system.

In furtherance to this, some years ago, precisely, in 2005, there was a very little support for debt cancellation for Nigeria when it sought for it from the Paris Club in order to move her economy forward. This was because the international community felt that Nigeria was not a poor country. Little wonder, just recently. (check The *Dailies*, August 2015), the administration of President Buhari once confessed that Nigeria is not poor during his interaction with the Western World. But just too corrupt to be left off the
hook. It claimed that revenue from oil are huge, but misallocation, embezzlement and over-invoicing that generate kickbacks for Petti for 2005. It is this same problem that the Niger Delta Youths have held as excuses for the conflict in the area.

This is an indication to the above fulcrum that fulcrum that Nigeria is rich, yet her citizens are poor. Why?

Thus, no broad improvement in the general welfare of the people will occur unless there is relative peace and stability. Conflict endangers economic development and overall standard of living. The argument does not indicate that poor economic growth rate in societies is caused by conflicts alone. Rather, it established that where interstate or civil conflicts are endemic, economic growth rate and other indicators of development are sure to be distorted. It also established that where collective societal resources are concerned or plundered by a few for selfish interests, conflict is very likely to be an offshoot or fruits of such situation. The case of Liberia under the Samuel Doe and the ex-Liberian president Charles Taylor Mobutu Seseko of the democratic are sluiced in Republic of Congo. Examples of misappropriation of state resources for parochial, myopic
interest of satisfaction of the ruling elite. Is this not a direct reflection of an abject poverty in the African continent? Or is it not an inroad into conflicts and underdevelopment in the African society?

Therefore, development entails opportunities for improving people’s standard of living, their employment and incomes, health, education and general wellbeing dignity of human personality. But these are impossible in conflict or war situations, like the Boko Haram insurgency on Nigeria, Dr. Congo, Liberia and so on. Peace is the basis of development. There cannot be a conflict-free society, be it advanced or mega advanced society. What is important is that there should be. Not only mechanisms that minimize conflict in the society, but also effective and efficient-public institutions, solid and reliable infrastructures that allocate resources and enhanced job opportunities as to avoid youth criminality and unnecessary conflicts in the society, as well as present fewer burdens of conflict resolution.

Billions of people in the world’s poorest, of which Nigeria’s case is not an exception, are enslaved by debt and it’s servicing: debts run up by Governments on their behalf. Debts, which started as easy credit, pushed by
rich lenders. Debts which the poor will never be able to repay. Debts which enrich lenders, but have children malnourished, while families live in desperate and in the mystery of abject poverty.

Hence, the creditors are effectively bleeding the poor to death and to the advantage of their insatiable motive and selfish end. The governments of developing countries according to some scholars could use this appeal as a bargaining chip to secure better deals for workers. However, most of these establishments consist of thoroughly corrupt and self-interested officials, who receive bribes and kickbacks from corporations and allow them to misuse the country’s resources, human and natural. It is the ruling elite of these nations, and not the private armies of multinational corporations, that crush- often brutally- any attempts by workers to organize themselves and strike for higher wages or better working conditions. It is then not the internationalization of production or globalization that are to blame, but corrupt political elite and government officials who are not accountable to their populations and fail to protect their interests.

For example, an initiative was taken by the United States of America, Europe and Japan at the G8 summit in Denver, in June 1997, to assist
Africa’s integration into the world economy by increasing private investment, is an appreciable step, Africans must themselves put their house in order first, especially, Nigeria.

The programme provides for raising $25 billion within 10 years for financing purpose-oriented programmes in education, health care, water supply and for the environment.

How will this be attained?

Some years back, for instance, pessimistic assessment privilege concerning South-East Asia and India, but today, they are energizing at a faster pace that predicted and their economies are changing (more rapidly) than expected - even incomparable with the Nigerian economy. Then, the question is that, How can Nigerian Financial Services Industry be helped with regard to globalization?

Globalization of mankind’s life does not mean unification of cultural space. Transition to a planetary, post-industrial, informational society requires its diversification, development of all components of the future pluralistic civilization, not only of one of them to the detriment of the others.
Mankind’s wealth is its diversity.

In the case of Nigeria, he so-called military Regime and capitalist orientation has led to the strengthening of authoritarian or despotic regimes, tyranny, dictatorship, swelling up of the bureaucratic machinery, economic collapse and denominational political differences, and petty conflicts and all sort of corrupt practices. Hence, these and others are the economic saboteurs to the Nigeria financial services industry. The key word for the political system imposed on African from outside of which Nigeria is not an exception, was democracy, and it was developed with some kind of external service pressure which was unsuitable for our financial services in the country—even for society.

There are also the struggles of the ethnocratic elite for political power, land and wealth in the country, to the detriment of development. For example, the Ife-Modakeke tribal war; the Delta-Ijaw conflicts for oil sharing, and on land disputes and others like religion crisis in some parts in the North and some embarked industrial strikes, are pointers to the fact that our financial services industry have no stand with regard to globalization.

However, in this aspect, the Nigeria’s future in the world civilization
and her financial services industry in the changing world, of social, economic, and political space depends, first on government and people overcoming the trends of statehood, tribalism, ethnicity, civilizational decompositions and social channels, transformation of the 'booty' paraeconoy into a normal functioning economy with steady development.

Second, on the actions of the world community in the face of its international organizations, financial institutions and individual countries-if it realizes that Nigeria’s future is important to the whole of mankind: a global society without destruction, egotism and individualism.

Third, Nigerian leaders must adopt moral authority and be able to lead society, even when they make unpopular decisions. They must possess broad views and visions of (their people’s) prospects, understand Nigerian realities and her financial services industry with regard to global changes. This is not an exclusive list of the conditions of finding a way out of the crisis in Nigeria: it is the minimum minimorum.

Finally, political stability is necessary to mitigate the risk of any investment that will be made and this will also aid both the home and foreign investments to have a target pent-up market for their services, of
which Nigerian financial services industry will be enhanced and benefited with regard to globalization.

**Making the Future of Nigerian Financial Services Industry better**

There is a growing realization in the world of trade that the future of Africa’s economic growth, could lie with small-and medium-sized enterprises (SMEs) of which the Nigerian small firms and banking systems are not exception.

At a time when transnational corporations are half-hearted about investing in Africa, especially, Nigeria as a case study, out of a perceived fear of the continent’s business environment and at a time when foreign investors are also yet to prove forth coming in large numbers, as one might expect, small firms and our bankrupts are providing a good way forward especially in Nigeria.

For one thing, SMEs because of their moderate capital outlay, fall within the financial competence of budding entrepreneur’s the concept of humble beginning and stands them in good stand on the continent. For instance, recent arguments in international business circles, however, suggest that they could be made to perform better and in that context, to integrate
into the international market where they could generate foreign exchange. For example, again, the institute of development studies of the University of ESSEX in the UK (IDS) considered the benefits of energizing performance of small firms (banking systems inclusive in some recent research finding. It is indeed noteworthy that the institute’s analysis of EMSs comes hard on the heels of two crucial conferences of African experts and policy makers on the future of industrialization and trade on the continent, including Nigeria, giant of Africa.

The first was the meeting of the economic community of Nigeria (ECA) in Addis Ababa, which called for increased Africa participation in worlds trades, the second was then 13th conference of African Minister of Trade and industry held in Accra, Ghana. This last, in collaboration with Unido, sought to sustain African interest including Nigeria, in industrialization through small - and medium – sized enterprises.(SMEs)

Given the frame economic environment of the continent, Nigerian financial services industry (banking system) especially, should emphasize the work of small firms, because of their capacity to stimulate economic
growth and great employment.

Some aspects of this way forward were highlighted in a study of SMEs conducted by IDS fellows some of which are discernible as their themes:

The Triple C Approach to local Industrial Policy: the Edge, collective Efficiency and International Competitiveness in Pakistan.

Collective Efficiency: Growth paths for small scale industry and Small firms and their helpers: Lessons in demand. The study’s authors, Hubert Schmitz, Khalid Nadvi and John Humphrey, chart a more rewarding course in future for small enterprises.

The IDS policy briefing holds that there is a robust future for small-scale enterprises as mounting evidence suggests a new direction – clustering and networking.

This new focus, which is customer-oriented, will help small firms to compete and grow. The research however, acknowledge certain drawbacks which small enterprises and Nigerian financial services industry (Banking Systems) face: factors such as a lack of access of raw materials and components because of the absence of local suppliers and the inability to
obtain input from abroad.

Similarly, there is the serious problem of finance, owing either to discrimination by banks (where some banks are more richer than the other) or, seen from the other side, the high costs of dealing with a large number of small firms.

Other hindrances include technology, which is often imported or the initial investment outlay for which is very high and poor access to product markets engendered by lack of contact and the inability to effectively market and advertise products. Another hindrance, to Nigerian financial services industry, is their inaccessibility to government, because of their limited political weight and bargaining power. This happens at times because of some undue political interference’s and its syndrome.

The IDS finding admit that such handicaps are not easily surmountable by small enterprises, not necessarily because of their size, but firms operate alone in a competitive marketing environment.

Given such are working together concrete in one geographical location.

Also, part of the new drive is networking, in which firms work in cooperation, although not necessarily in the same place. Both modes of
operation offer firm a competitive advantage.

These are two aspects of the collective efficiency firms that can be achieved through local and external economies, and which allow firms to gain an edge. Such groupings attract local suppliers, give all firms better access to input and raw materials and help to create a pool of skilled workers”, the research notes. Firms organized in this manner also gain advantages of joint action, which enables them to consciously cooperate or join forces in business associations.

Nigerian financial services industry could perhaps emulate the trend in Brazil and Pakistan through successful clustering. For instance, according to the research, in a number of sectors in these countries, group of firms clustering together have managed to break into highly competitive export markets in such areas as shoe-making, the manufacture of leather handbags, knitwear, titles and musical instruments, and food-processing. Clustering is also noticeable in the industries, which supply machinery to these sectors.

It is noteworthy that to show and become creditable in international
markets, as financial services industry in Nigeria, trade fairs provide the key window of opportunity. And indeed, according to the IDS study authors, they are “excellent about customer needs and eye up the competition”.

Although, trade fairs in essence are beneficial to small firms the cost of participating is prohibitive.

Again, joining forces through clustering helps to overcome such barriers.

The report notes: “A shared stand allows producers to put on a more impressive show and face the world buyers and competitors with greater confidence. And it also helps to create bond between the firms participating and stimulate discussion and absorption of new ideas”.

As financial services industry, in Nigeria, there is a vital role in stimulating national economics, there are strong arguments that governments of developing countries, including Nigeria, should play a crusading role to harness the immense benefits of SMEs.

For example, the support of government in Chile is highlighted in the study. There, the government participates in small firm projects by not only identifying enterprises in the various localities and diagnosing their
problems, but also assists in appointing a paid manager to co-ordinate the network. This is worthy of emulation, in that, the Nigerian government could go to any length to help her financial services industry, such as in banking system, and in other sectors, the small-scale industries inclusive. The manager acts as an interfere with various government and marketing agencies, facilitating the take-up of training and other support services and developing better inter-firm relations.

**Deregulation or Privatization May Be Introduced**

The word deregulation in the actual sense of it, is the removing off the hands of the government, form our oil products and the handling over to the independent marketers vis-à-vis for the market forces to put justice on the prices, demand and supply in a more free market economy. Such products could include our crude oil, and other sectors like the Nitel, Nepa, public corporations like the Nigeria Railway Corporation (NRC) and others.

The adoption of the structural adjustment programme (SAP) in 1986 further reinforced the believe in the use of market: forces as reflected in publiccies of economic deregulation, commercialization and privatization of
public enterprises among which SA had as one of its cardinal objectives, the reduction of the dominance of public sector involvement in economic activities with a view to enhancing the growth potentials of the private sector. For instance, the financial sector, the transport sector (particularly, the air subsector) and now the communication sector have been deregulated with many private operators coming on board. Besides, more than two public-owned enterprises and equity holdings have been transferred to the private sector.

In a normally functioning economy, I adhere to the fact that, deregulation, privatization or commercialization could work both in the short and long run free market economy that are discernible.

The type of Government in power and its policy. The type of government in Nigeria determines her economic plans most of the periods. Most periods when private sector-led growth was enshrined in the national development plans often coincided in the periods of civilian administration. Even, the period of Babangida’s administration (which ushered in SAP) was more of Shagari Administration’s extension. Periods of commanding heights of the public sector also coincided with periods of military regime, and this
is what we called political instability leading to policy somersault in any administration, hence, it is a detriment to the progress of a nation.

**Economic analysis and its fortune:** Irrespective of any administration operating in Nigeria if the government can determine to commit Herself to the enhancement of standard of living of her people, to maintain and strengthen those macro-economic policies and reforms that would bring about rapid economic growth, then these can lead to an atmosphere of relative price stability and a stable exchange rate in the country.

**Economic Analysis:** going by the definition of deregulation or Privatization, it is believed that Nigeria’s oil products are handed over to the private sectors through the machineries of the Nigeria National petroleum Corporations (NNPC).

This is in economic view to give room for competition among the mentioned above sectors and among other factors of production through which some market forces (such as the demand, supply and the price) may put justice on any defect in a free market economy. It is also discernible and believed that there will be room for efficiency of labour leading to economic productivity in the market.
It is again noteworthy that, it will create an atmosphere of, relative price stability (as it is mentioned above). Hence, all these are indication of economic liberalization. This is to say that some monopolistic tendencies in our economy will go into oblivion.

Interestingly enough, the people would be forced to depend on their locally or home-made goods which invariably will make export cheaper and import dearer. Hence, it increases our foreign reserve and makes balances on both payments of deficit and surplus.

Dr. Usman, the Managing Director and Chief Executive of NAL, Merchant Bank plc, Lagos at the London conference on Trading and investing in a post-gatt Nigeria, argued in support of deregulation and privatization that, “… The main objective of the reform was to promote greater efficiency and higher productivity in the public enterprises by granting increased financial and management autonomy to these enterprises and encouraging them to compete among themselves and with private companies in the same of line of business”. Again, he stressed further that, the reform measures for commercializing public enterprises were guided by the need to create an appropriate macroeconomic environment aimed at
exposing such enterprises to the stimuli of competition and expanding.

The role of private capital in the search for self-sufficiency and integrated national development. And that, the overall effect of the programme has been to deregulate the economy, reduce government bureaucracy, fold back the frontiers of public sector initiative”

He further stressed, that, “The reform of the commercialized enterprises involving such actions as Board, management and capital restructuring, deregulation, de-bureaucratization, etc. has made most of the enterprises to operate more efficiently and provide higher quality and quantity of services to other units in the economy”

As a result of deregulation and privatizing, it is believed that, the masses would immensely benefit while the economy will be enhanced by reducing her balance of payment deficit and increases the balance of payment surplus in her foreign reserve.

RECOMMENDATIONS

At this juncture, according to the advice given by the Chairman of the Governing council of the Nigerian Manpower Board (NMB)and Director
Lagos Business school, Dr. Pat. Utomi, he argued that, the policy makers should stop looking for who is responsible for the continuing slide in the value of the Naira but to start making decisions that will create the environment for increased productivity entrepreneurial activity and investments that will lead to prosperity. Hence this makes us to avoid myriad of problems.

Public ownership and control (weak corporate governance and finance) are key factors in the persistence of the energy crisis and sociopolitical problems affecting our financial services industry in the country today. This suggests that the production, allocative and financial that pervades the fuel sub-sector and other sectors Nigeria can be largely explained by the inefficiencies that are mainly asocial with the consequences of the exercise of public ownership property rights.

The Nigerian government should see to the poor capacity utilization, plant and level inefficiency, overstaffing in non-technical areas, lower than expected labour productivity because of poor incentive system, and managerial inefficiency due to internal and external (political) constraints reflect agency problems-principal-agent problems. And drastic change must
take effect for restructuring, rethinking and rehabilitating in the macroeconomic policies that are ready to boost the Nigerian economy and her financial services industry.

Similarly, the government should determine a end which will try to reflect development issues that are of great concern for the future of the financial services industry in Nigeria, and to be able to foster to the future a strong, dynamic, and sustainable future topics and identity and discovery that are based on economic policies and which also are built upon some fundamental and universal principles of democracy and respect for individual liberty, which will eventually lead to economic growth and to the enhancement of our financial institutions.

CONCLUSION

I am not a free trade fundamentalist, nor a salesperson for the global village. On the other hand, I do not advocate a simplistic rejection of the forces of economic and socio-cultural integration, nor do I support a demonization of the multinational corporations that have become iconic of this era. I see globalization as an inevitable process that was not imposed on the world
through a conspiracy of the rich and powerful, but was initiated centuries ago by the same revolutions in transportation, industry, and social and political consciousness that shaped the colonial enterprise.

This process has been expedited in the last two decades because of crucial advancements in communication technology, and has today penetrated every aspect of human life- not merely how businesses are organized and operate, or how we access and process information, but also family structure, spiritual and intellectual life, politics, education, our definitions of self, community and culture, and how we relate to each other; our dreams, values, and priorities. In the contemporary definition of globalization, and at the root of all this flux, lies a vision of macro-economic life based on a few fundamental principles: elimination of trade barriers and capital controls, open markets and economic liberalizations, internationalization of production (as embodied by transnational corporations), privatization and minimum state intervention. The abolition of restrictions on the movement of resources is believed to lead to healthy competition and greater efficiency, enhancing growth and creating employment opportunities, ultimately generating wealth for all to enjoy.
The sentiment behind this age-old capitalist mantra was captured well by President George Bush Jr. when he said, “open trade is not just an economic opportunity, it is a moral imperative.” However, an examination of case studies from developing countries reflecting the impact of the economic policies mentioned above, reveals to many a moral imperative in the opposite direction; one that urges for a halting, if not reversal, of the tide of globalization.

If there is anything I detest so much in my life, it is “crying over spilled milk”. As I said earlier, globalization cannot be wished away again. It is an impossible task! The anti-globalization activists should have a rethink; this is a passionate appeal.

As an African Humanist, I am very sure that the immorality of the multinationals can be taken care of if African government officials could do away with their GREEDY nature (South African government has proven this to be very potent) and be more responsive to the yearning socio-welfare needs of their citizens. Efforts and machineries should be put widespread corruption, embezzlement of public funds, unjustifiably huge defense expenditures, nepotism, tax evasion, and non-performance of duties at the
highest levels. These and many other welfarist packages should be introduced. If and when this is done, the unequal footing of globalization between the developed and developing countries of the world would have been reduced to the very barest minimum.

The government must therefore be in a position to come and regulate how it affects the common man who cannot participate in having a share of that privatization as of now and also invest in the future of such by providing things like very good and qualitative education that will make the children of the poor to also rise up one day and be able to use their skills to negotiate part of the piece of the show for themselves, because education is a leveler.

Financial capital is the most critical most elusive and most costly of all factors of production that must be harnessed, preserved, and enhanced with all vigor and strategy at the disposal of Nigeria if it is to develop both in her economic trade and future.

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Last November, Germany celebrated the 25th anniversary of the fall of the Berlin Wall. That highly emotional and symbolic event was hailed as the end of the Cold War and even as “the end of history”. Hopes were high for a more peaceful era and there was a feeling that Western liberal democracy would gradually become universal.

Today, there is a far more pessimistic outlook. In Syria, Iraq, Yemen and Libya, lawless armed groups spread terror and chaos that threatens the entire Middle East and North Africa. The annexation of Crimea and the armed stalemate in eastern Ukraine have revived memories of the Cold War.

In Africa, the murderous campaigns of Boko Haram and Al-Shabaab have devastated whole communities and regions. In the Mediterranean and the seas of South East Asia, desperate people are risking everything to escape deprivation and persecution. Closer to home in Europe, we see widespread disenchantment and disillusionment with the European project after years of economic crisis and the attendant high unemployment, particularly among young people. This is driving the politics of identity and the resurgence of nationalism. And we cannot ignore the existential threat posed by climate change and the persistence of abject poverty in many parts of the world.

With all these developments, who can avoid the feeling that things are falling apart, that the world is spinning out of control? And how did we get here in just 25 years?

To my mind, three factors stand out. First, the scale and speed of economic,
demography and technological changes are upending the globalization of markets has helped lift millions out of poverty and created untold opportunities for clever entrepreneurs and successful corporations. But it is also generating great disquiet among people who fear that their lives are determined by forces beyond their elected leaders control. As a result people have less trust in their leaders and in their public institutions.

The second factor is the experience of Afghanistan, Iraq and Libya, which has highlighted the limits of military power and the use of force. A third element is the failure to modernize global institutions to reflect the changing balance of power in the world. The United Nations Security Council, the IMF and the World Bank still largely retain their original governance mechanisms, created in the aftermath of World War II. Today, emerging powers do not feel sufficiently represented. The world has changed and these institutions should adapt and change with it. They should be reformed and made more democratic.

Clearly, with the world in such a state of flux, there is anxiety about the future and what it holds for our children. We should not dismiss those anxieties. Nevertheless, I do not believe that we are living in a world that is spinning out of control. We have made great progress with the Millennium Development Goals (MDGs) even though not all of the eight goals will be accomplished by the end of this year. Significantly, just a few days ago, the UN announced that the number of people suffering from acute hunger has dropped by almost 45 percent over the last twenty-five years. The current international system does allow states to settle most of their disputes peacefully and this is a huge achievement in human history. There is an encouraging downward trend in the number of people who die in armed conflict, thanks to the near disappearance of conflict between
major powers.

And yet we seem powerless to prevent ghastly atrocities and terrorism, which still disfigure our world. But in the past we often did not hear about them. And we certainly did not see them on our TV screen. Fortunately, the globalization that is re-shaping our world order also means that news and images of war and massacres quickly go “viral”. Social media have turned the owners of more than one billion smart phones into potential citizen-journalists. We can no longer say that “we didn’t know”. Despite this progress, we cannot afford to be complacent. I see three immediate challenges that we must tackle with vigour and urgency.

A first challenge is to make the principle of responsibility to protect a reality. In 2005, UN members declared that all states must protect their own populations from war crimes, crimes against humanity, ethnic cleansing and genocide. And if they fail to do so, the Security Council has a responsibility to protect was a defining moment for the United Nations and one that I count among the highpoints of my time as Secretary General. The Responsibility to Protect is not necessarily about military intervention. There are times when the use of force may be legitimate in the pursuit of peace but it is much better, from every point of view, if action can be taken to resolve or manage a conflict before it reaches the stage of armed intervention. But the responsibility to protect is not limited to governments alone. All of us - whether as officials in government, in business, in media, as voters or simply as human beings – have an obligation to do whatever we can to correct injustice at home and abroad.

A second challenge I would want to stress is climate change. I am glad to see that change. I am glad to see that Germany has taken a leadership role through its increasing
use of renewable energy and I would urge you to push for an international agreement at the UN climate conference later this year.

The third point I would like to touch on is the challenge of migration. This is a highly sensitive issue everywhere – not only in Europe. But we will not solve it simply by building higher fences or adopting protectionist policies. Globalization has brought many benefits in terms of wealth creation, technology and travel, but it has also ended the ability of countries to insulate themselves from the wider world. I know that Germany has been among the countries that have been most open on this question, receiving many migrants, fleeing violence, poverty and misery. So, I urge you to continue along that humane path.

In closing remarks allow me remind you of the words of Pastor Martin Niemoller who told us: “First they came for the Socialists, and I did not speak out – because I was not a Socialist, and I did not speak out. Then they came for Trade Unionist. They came for the Jews, and I did not speak out- because I was not a Jew. They came for me – and there was no one left to speak for me.”

Solidarity is what makes us human. But solidarity starts with the individual, with you and me. In our global and interdependent world, we are all in the same boat. We cannot be prosperous at the expense of one another. The UN Charter was written in the name of “We, the people”. It is we, the people, who have both the power and responsibility for crafting peace, and extending justice to all. Each of you is a potential leader. To lead means to take responsibility and to set the example. As I often say: You are never too young to lead or too old to act.

So let us make a pledge for solidarity. For if we all show solidarity with our
fellow human beings, regardless of their gender, colour, creed, or orientation, we can help to deliver on the central promise of the United Nations Charter, which calls on us to reaffirm “our faith in the dignity and worth of the human person.” I am relying on you – the leaders of the 21st century – to deliver on that promise.

There are a lot of issues hanging on the Boko Haram insurgency which are yet to be resolved completely. Should our leaders have soon forgotten the dozens of thousands of Nigerians that have fallen victim of this demise, of the properties worth millions of naira that have perished and disappeared into thin air?