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**IMPACT OF GLOBAL ECONOMY ON THE INDUSTRIAL RELATIONS SYSTEM OF NIGERIA**

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**ABSTRACT**

*The world has transformed into a global economy as a result of the unprecedented level of interconnectedness of economic, social and technological forces that permeate the contemporary global system. This paper identifies the impact of the global economy on the industrial relations system of Nigeria such as factors responsible for the emerging political order and goes further to argue that developing nations in particular, are constrained to be incorporated into the global economy, a consequence of which is the requirement for them to open their borders for economic influences.*

**Keywords:** Global system, Emerging, Developing, Industrial Relations.

**INTRODUCTION**

The fall-out of the economic crisis in Europe and America was that other countries of the world also caught up with it. Mostly affected were the economies of the developing countries because of their dependency nature. The immediate impact of this was that capital flow into these countries were affected. There was a considerable slump on global foreign investment flows to these countries. The collapse of the primary commodity prices also affected adversely the currencies especially the US dollar. Developing countries whose financial sectors and economies had been highly dependent on financial aid and borrowing from overseas suffered greatly. All these slowed down the pace of socio-economic development and accentuated poverty throughout the developing world.

For Nigeria, the impact was severe since as a mono-product based economy, instability in the world oil prices became more apparent. Generally, the performance of the economy was very low on all the indices of development. Government responded by introducing structural reform in all sectors of the economy to stem the tide and to fast-track socio-economic development. Between 2003 & 2007, government instituted an economic reform program called the National Economic Empowerment Development (NEEDS). Its purpose was to raise the country's standard of living through a variety of reforms which include macro-economic stability, deregulation, liberalisation and privatization among others.

The ultimate was that it would lead to the creation of over 7million new jobs, diversify the economy, boost non-energy exports, increase capacity utilization and improve agricultural productivity. The reform program was replicated at the state and local government levels (APRM, 2008). Although the poor performance by the public sector was attributed to the new reform drive, it soon became obvious that this

private sector-led economic growth would not make the desired impact due to the high cost of doing business in Nigeria occasioned by the economic decision making process notably in government contracting.

The effect of all these stemmed down to impact not only on the national economy but also many sectors/institutions including the labour movement. Labour had always opposed measures that would adversely affect its members. It had the view that globalization, the harbinger of privatization, deregulation and liberalisation, leads to down-sizing and out-sourcing which means unemployment. Modern industrial relations in Nigeria started in 1912 with the formation of the Nigerian Civil service union. This marked the beginning of a rapid development of trade union activity in the country (Yesufu, 1984). Trade unions are organizations to which workers belong and which collectively dialogue with employers on behalf of the employees. They therefore emerged from the efforts of workers to see an improvement in existing working conditions through collective action (Fajana, 2006). Thus, their objectives dovetail in improving the terms and conditions of employment of their members by their employer through the process of collective bargaining.

Trade unions are the combat organizations of the working class primarily built to advance and defend the interests of workers against their employers. They therefore have the capacity to disrupt production through their mass action as their *raison d'être* as a pressure group, is the improvement of the working conditions of their members. Trade unions like other organisations within the larger social system have a vital role to play towards launching the economy on a steady path to industrial growth and development.

As with Industrial relations, globalization has lent itself to a variety of definitions. It is according to Kura (2005) a very complex process that can be understood in different perspectives-economic, political and cultural. Thus, it is a deeply differentiated phenomena that embeds continuous processes and patterns of interaction in diverse areas of human activities-economic, social, political, cultural, military, environmental and citizenship, and through these web of activities, nation states, societies, international institutions, NGOs, multi-national corporations are linked and networking together towards achieving their objectives.

#### **Conceptual Discourse of Globalization and Industrial Relations**

The term industrial relations has been variously described by several scholars (Dunlop, 1958; Gennard, 1990). Even with the diverse interpretation of industrial relations, the term connotes the means by which the different interests involved in the labour market are accommodated, primarily for the purpose of regulating employment.

Industrial Relations has both collectivist and pluralist orientations and is also concerned with the relationships which arise at the workplace (i.e. relation between individual workers, the relationship between them and their employer, the relationships these employers and workers have with organizations formed to promote and defend their respective interests, and relations between those organizations at all levels.

Industrial relations also includes the process through which these relationships are expressed such as Collective bargaining, other grievance and dispute settlement procedures, management of conflict among the different parties and also the involvement of the state through its agencies in the promulgation of relevant laws, setting and determination of wages (Macdonald, 1997).

In line with the above, Fajana (2006) sees Industrial Relations as the systematic study of all aspects of the employment relationship. Although Fajana's contention that industrial relations deals with everything that affects relationship between workers and employer's perhaps from the time the employee joins the work organization until he leaves his job, may be misleading, as problems of retirees, pension and others relating to their work experience could be subsumed under industrial relations without any harm done to the concept.

This is more so when it is remembered that in Nigeria, work experience in the public service is to a large extent determined by post-work expectations bothering on retirement benefits and other rewards. However, the way industrial relations has been conceptualized above may also seem too restrictive in the light of supra-national regulation and globalization (Edwards, 2003). That globalization has had tremendous effect

on industrial relations is no longer under contention, what is contestable is the direction of this influence whether positive or negative particularly as it affects industrialization process in developing economies ( Oyeonoru, 2003; Ali, 2005).

The 21<sup>st</sup> century has been characterized by an accelerating trend of economic integration of countries around the world. The intensified global economic contacts have had far reaching impacts on almost every aspects of people's life (Jiangian, 2005). Therefore a close inquiry on the effects of global economic forces on the tenor of industrial relations is indeed crucial in understanding the nature of industrial relations in Nigeria. Moreso, with the rise of the multinational organization, it is no longer sufficient to consider change simply in a national context (Noon& Blyton, 1997:113) what this means, for instance, is that a shift in the manufacture of consumer electronics from Japan to perhaps Nigeria removes the demand for low skilled work in one country, only to increase the demand in another.

Globalization refers to the process of the intensification of economic, political, social and cultural relations across boundaries. According to Akindele (2002), this principally aimed at transcendental homogenization of political and social economic theory across the globe. Globalization can be seen as an evolution, which is systemically restructuring interactive phases among nations, by breaking down barriers in the areas of culture, commerce, communication and several other fields of endeavour. Billton (1997) views globalization as a process whereby political, social and cultural relations increasingly take on global scale which has profound consequences for individual's local experiences and everyday lives. The definition above implies that, globalization operates both at global and local levels and therefore impacts on the economy and polity of the country as well as on the culture and well being of its citizens.

Adeloye(2003) sees globalization as the growing interaction in the world trade, national and foreign investments, capital market and the ascribed role of governments in the national economies. This seeks to explain globalization as an attempt to encompass all countries in one economy unit, possibly without government or borders. According to Fatima (2003) reveals that, globalization is the broadening and deepening linkages of national economies into world -wide market for goods and services especially capital.

Bartelson (2000) identifies three dimensions of globalization: it is a process which intensified transference or exchange of things (labour, skills, capital and goods) across the existing units/nations. The second dimension sees a global system level as the process of changes that occur in the economy, polity and social aspects. Lastly it views globalization as transcendence. This connotes that globalization transcends beyond the compartmentalization of society into sector. It is a process that takes place at all levels of society, economic, political and social.

Globalization has enriched the interchange of ideas and the frequencies of interactions amongst people of the world. The frequent interaction s exchange of ideas and growing interdependency relation has provided increasing incentives for peace and not making war (Awake, 2003). According to Aaron (2001) the exchanges brought by globalization meant stupendous wealth for a few countries and wrenching poverty for the majority of mankind. It has enabled the concentration of global wealth in fewer hands and countries.

Environmentalists criticized the global market economy for paying greater interest to profit than in the protection of environment. Aluko(2006) summarizes the adverse effect of globalization by submitting that globalization is merely a new term for an old phenomenon imperialism. While the rich industrialized countries are happy with rejoice in globalization, it should be seen as serving to entrenched the skewed terms of trade between the north and the south based on the historical lopsided international division of labour which sentenced peripheral part of the world economy to the labyrinth of poverty and underdevelopment, while the metropolitan countries continue to bask in affluence and power.

In the early stages of industrialisation particularly at the beginning of the last century, Taylorist principles were adopted by Henry Ford whose name is synonymous with assembly-line production and this set the stage for Fordism. Therefore, Fordism became a form of work organization designed for efficient mass production. The success of Ford however, can be better appreciated if seen as part of a system of industrial organization that also sought to create, perpetuate and satisfy mass consumption (Noon & Blyton,

1997:104). But with this came tremendous levels of rigidity and regulation which affected the skills of staff and the nature of employer-employee relations.

Braverman's (1974) thesis points that the inescapable tendency towards the degradation and deskilling of work occurs as industrialists search for profits in increasingly competitive global economic environments. Although this has largely been criticized, there is little doubt that it was a seminal contribution in the nature of work. Furthermore, following this background, it is expedient that we interrogate the relevant dynamics of the global economy and its influence on industrial relations in Nigeria from colonial times.

### **Theoretical Framework**

The globalization theory of 'Transnational Capitalism' is used for this discussion. The economic theory of transnational capitalism focuses on transnational practices that are able to cut across boundaries including those created by states-with the implication that territorial boundaries are of declining importance in capitalist globalization. As a Marxist, Sklar (2002) accords priority to economic transnational practices and it is in this context that transnational corporations predominate. Underlying this emphasis on transnational corporations is the idea that capitalism has moved away from being an international system toward a globalizing system that decoupled from any specific geographical territory or state.

The global economy from the perspective of the theory shows that world trade economy has no geographical parameters in its operations. In accordance with this Adejugbe (2009) testifies that the world economy has been globalizing and no economy is an island to itself. Economic globalization has integrated the societies of the world in a common trading, marketing, production and financial system. While great technological development and innovations create the basis and infrastructure for economic development it is because of concrete economic process such as trade that the societies of the world are being drawn into global system. (Afolabi,2001, Hist and Thompson 1996). Trade is the chief economic process that promotes globalization and a key mechanism for moving goods, and exchange of financial globalization transactions among nations.

Financial globalization refers to the flows of funds in the form of international bank lending, loans, bonds, credit, equities, foreign direct investments, foreign exchange and the likes that take place across national boundaries among private agents and the countries of the world. The offshoot of this international trade brought about the development and institutionalization of international banking and financial enterprises owned by western governments. These institutions include; International Monetary Fund(IMF) and the World Bank, which have their headquarter in the United States. These institutions account for the overwhelming cross-border financial transaction that brought economic recession to Nigerian economy vis-à-vis; the work organizations.

The point to note here is that the interconnectivity of the theory made it easy to apply to industrial relations system of Nigeria. For instance, under the typical Nigerian industrial relations system, three major parties are usually involved: these are the government acting as an arbiter, the workers and their organizations, the employers and their organizations (Adebisi, 1999; Ootobo, 2000; Fashoyin, 2002; Fajana, 2002;& Babajide 2001). These three actors according to Dunlop (1993) are operating like system because they have an ideology rule that binds them together in the workplace. The interdependent features of workplace made it vulnerable for the drop in government foreign exchange earning to affect employer profits and employee earning

### **Global Economy and Industrial Relations in Nigeria**

The impact of the global economy on the Nigerian industrial relations started during the Colonial era. Colonialism had many consequences in Africa. Davis (1996) traced the process which led to wage labour in Africa to the monetization and commercialization of African economies by the European colonialists. He opined that the history of trade unions in Africa was marked by nationalism or reaction to imperial rule as well as to conditions of work. The introduction of colonialism and the creation of a colonial racial economy and bureaucracy set in motion countervailing forces that led to the formation of the Civil Service Union in 1912 in Nigeria.

Also Damachi, et al (1979:2) assert that the greatest impetus to the organization of labour were ancillary events connected to the global economy namely: a sudden rise in prices and a related drop in real wage

For instance the depression of the 1920s affected adversely the Gross National Product (GNP) and this forced the then colonial government to effect a reduction of wages with obvious consequences. The world wide depression in the 1920s exposed the new workers to severe hardship in the satellite states of West Africa. These states were compelled to sack some of their employees and this led to discontent among the workers. Colonialism, according to Kaufman (2004: 518) was the resource investment that the Europeans had to make in order to reap the profits from its economic imperialism. This took several forms from confiscation of their lands, exploitation of natural resources and discrimination in the workplace. In reaction to this, workers organized themselves into trade unions. In support of the depression theory of unionization, trade unions in Africa germinated and consolidated in the years of global economic depression, and also the years of the Second World War that compounded the hardship and misery of workers.

Similarly Otobo (1987) identified the type and nature of the economy as one of the major factors that have influenced the trade union structure in Nigeria. Nigerian economy is a capitalist one with a large public sector but more powerful private sector which some commentators erroneously refer to as mixed economy is perhaps the single most important cause of the rise of industrial relations in Nigeria. Capitalist development had banished the morally sanctioned bonds of feudal epoch and brought two new classes bourgeoisie and relations with the new masters of the workplace abdicating the sacred duties of workers themselves following the inherent contradictions of capitalism no longer saw obedience as a divine invocation. Thus, the workplace became a hot bed of several conflicting interests arising from the demands of the colonial economy.

In the work world, whites used law and coercion to gerrymander the job market so that they kept a monopoly on management supervisory positions, skilled trade and other desirable better paying occupations. Native people, on the other hand, were either confined to the edges of paid employment (handicrafts, street selling, and domestic help) or used for low wage physical arduous labour in mines, factories and construction. Trade unions were also frequently segregated with the black unions denied the right to strike (Nel, 1997 cited in Kaufman, 2004:518).

Also, the First World War 1914-1918 and Second World War 1939-1945 made tremendous impact on the development of industrial relations. The impact of the wars on socio-economic life was devastating. The effect of the wars on cost of living was widely felt particularly by wage earners. Tokunbo (1985) asserts that the struggle over cost of living allowance or war bonus as it was then popularly known became an issue in trade union circles during and immediately after the wars. As a result, agitation and labour disputes characterized labour activities in many parts of British colonies. The multiplier effect of all these led to the formation of notable trade unions like Nigerian Union of Teachers and the Railway Workers Union led by Rev. Ransome Kuti and Michael Imoudu respectively (Fashoyin, 2003).

Another very important factor that influenced industrial relations in Nigeria is the voluntaristic philosophy Nigerian industrial relations system took from the British model. However, the voluntary system as operated in Nigeria, clearly disregarded environmental factors and tended to conflict with other national policies (Fashoyin, 2003:10). Similarly the promulgation of the Trade Union Ordinance in 1938, itself a reaction of global condition was in fact the single most important factor that led to the proliferation of trade unions. The mush-brooming of unions and central labour organizations, the 1945 general strike were all direct corollaries of the global economic environment.

Since colonial times, the Nigerian state, nay the government has played active roles in industrial relations as the single largest employer of labour. The public sector has always employed more people than any other sector. Kerr, et al (1960:237) underscores the significance of the role of government in industrial relations when they observed that an industrial relations system at the early stages is more likely to be influenced by the state than previously, since the government entered the system as the largest single employer of industrial labour. This suggests that the peculiar role of government will in many respects influence the underlying philosophy of the national labour policy and the practice of industrial relations in work environment.

Much of the colonial practices in Nigerian industrial relations continued even after the country obtained political independence in 1960. This was to be expected as independence did not change fundamentally the

nature of social relations but was merely cosmetic. It simply replaced expatriate managers with indigenes, personnel, and retained material and other privileges. Fashoyin(2003:7) contends that there is no doubt a discernible model of industrial relations peculiar to an African society is emerging in Nigeria, although, it must be borne in mind that the Nigerian system is a conglomeration of ideas borrowed from other systems which are being blended to meet local conditions.

Post colonial experience in Africa has not witnessed remarkable changes in the process of industrialization for about fifty years of political independence. Large parts of the workforce in Africa have remained employed in Agriculture, handicrafts and other activities in the informal economy. Only a small percentage is involved in areas such as mining and petroleum production, manufacturing and transportation. The level of economic development and the dual nature of the economy has thus significantly affected the formation and development of the field of industrial relations in these countries (Kaufman, 2004: 5). With the indices used contemporarily by international organizations, Nigeria's current gross national product per capita is below that of less affluent countries such as Bangladesh with income per capita of \$370.

Nigeria's low per capita income compares with those of smaller African countries with less endowment of national resources such as Tanzania with \$260 and Mozambique with \$220 (commonwealth year book, 2002). When compared with western countries it becomes clear that Nigeria is still far from the rest of the global community. United States GNP per capita is about 27,086 in 1996 (USAID, 2002) and Britain recently put at \$23, 590 (commonwealth year book, 2002). A country's international profile or standard of living is determined among other factors by the economic condition of the nation and the productivity of its citizens, the quantity of goods and services that a worker can produce for each hour of work (Manly, 2001:533). A country may prosper if her citizens are productive and do not possess many anti-productive behaviours such as corruption and bad work ethic (Jike, retrieved 7/31/2009).

Nigeria is an amazing paradox, a country richly blessed by human and material resources yet the poorest to constitute about 10 percent of the nation's population. It is ironical that Nigeria is the 26<sup>th</sup> poorest nation in the World. Even without vast mineral resources, majority of Nigerians live on less than one United States dollar a day. Corruption and bad leadership are two of the most critical factors that have ensured Nigeria's underdevelopment. It is this state of affairs that has permeated into the work world and introduced challenges to industrial relations.

Industrial relations must be understood within the specific constellation of forces and also context of the environment in which they emerge and operate (Sonubi, 1987). This factor is further highlighted by the paternalistic relationship existing in the workplace which has circumscribed the wage work bargain. The employer sees himself as the father or head and traditionally not only deserves some respects, but shall in any circumstance accept the workers as his equals (Imoisili, 1984 cited in Fashoyin, 2003).

Even this paternalism is also shared by employee who feels that the employer shall care and be concerned about his personal problems, like ask after his aged parents; make allowance for his extended family problems etc. Those who don't appreciate this ignore the role of socio-cultural values in industrial relations. The clear disparity in power relation between the employer and employee is used in most cases to whip the employees into submission, sometimes making nonsense of the tenets of collective bargaining. This is usually observed in the way and manner collective bargaining agreements are flouted by employers and in most cases by the government.

In the 1980's and beyond, global economic conditions started taking a toll on the nature of industrial relations in Nigeria. By the mid 1980's the then Babaginda regime had embraced a new economic initiative commonly known as the Structural Adjustment Programme (SAP) which indeed was the main plank of the conditionality's decreed by donor agencies like the World Bank and International Monetary Fund (IMF) to win global support (Kura, 2005). Not founded on proper economic reasoning, SAP brought to the shores of the country monumental economic crisis. Nigeria came to be afflicted by a devastating economic crisis manifested in declining revenues, heavy debt burden of over 20 billion dollars and rapidly declining purchasing power of the incomes of the Nigerian workers due to inflation and a general decline in production of goods and services. In this situation, the Nigerian state also came to be confronted by an intense crisis of internal legitimation (Jega, 2000; cited in Kura, 2005).



In support of the above, Oyeonoru (2003:39) insists that the 'economic restructuring project was therefore a major component for the globalization process introduced to Africa in the form of structural economic reforms known variously as economic stabilization programmes, economic adjustment policies, economic reform programmes or structural adjustment programme.

To Onyeonoru (2003: 38) while globalization gave birth to structural adjustment as the countries involved responded to the global economic crisis, the adoption of IMF/World Bank reform measures have in turn widened and deepened the thrust towards global integration. This has led to fundamental policy changes revolving around reducing size of government and public expenditure, liberalization of fiscal and trade policies and transformation of the structure and operational efficiency of the economy (Onyeonoru, 2003). The underlying principle of SAP is to create an economic environment determined by market forces and a liberal political system. In the field of Industrial Relations, it entails deregulation and freedom to employers to hire and sack and pay what they like (Yusuf, 1996).

These neo-liberal policies championed by donor institutions with its emphasis on deregulation, privatization and commercialization of public enterprises have found its way into the workworld, with obvious repercussions on the stability of industrial relations. In an excellent study between globalization and industrial performance in Nigeria, (Onyeonoru, 2003:58) observes that globalization projects in the form of SAP could not provide answers to Nigeria's industrial and economic woes. He showed in his study of Food, Beverages and Tobacco (BFT) industries, that globalization affected their productivity. Structurally speaking the industries experienced contraction. From 80 companies in 1986 (onset of SAP) they rapidly reduced to 69 by 1992. Even worse, is that out of that number, only 29 were still able to smile on the basis of their standing after necessary deductions.

The new economy canvassed by globalization is characterized by a diminution in the significance of the employment relationship. These changes in the global economic content which alter the power held by the parties, Williams and Adam-Smith (2006) contend exercise profound influence on the character and conduct of employment relations. This is quite evident in the way organizations are compelled to retrench staff, cut personnel costs, increase staff output in order to maintain competitiveness. The global financial meltdown that is still ravaging the global economy is likely to have significant effects on industrial relations in Nigeria. In fact with the sacking of the executive of five banks by the regulatory body, Central Bank of Nigeria, nobody knows with certainty where this tide will be going to. Even before the sack of these bank executives, in fact before the post consolidation era of banks, there has been an intense effort to de-unionise the banks. Nigeria is very volatile and susceptible to minor shocks in the global economy owing to what has been identified earlier as over reliance on oil as the major source of foreign exchange. It is likely that if the economic recession continues and the trouble in the Niger-Delta intensifies even with the presidential amnesty, then industrial relations in Nigeria will not only take a nosedive but become chaotic in future.

#### **Globalization and Economic Development in Nigeria**

Globalization, as defined and as currently in operation is a two edged sword, it has universal benefit and consequences not restricted to Nigeria alone but at large to the entire Africa. Globalization has certainly brought some progress and new opportunities in the area of technologies, improved communication networks, new products and new opportunities. In the last 20 years ago, the world infant mortality rate has reduced by more than half, people on average live about 20 years longer, enrolment in schools, colleges and universities has increased and technical, social and political problems have been and are being globally attached and at times resolved in some part of the world (Aluko, 2006).

However, there is the need to examine the extent to which Nigeria and Africa at large have been involved in the economic globalization trends. Nigeria has been more engaged in the economic globalization trends. Nigeria has been much more engaged in the economic aspect of globalization process particularly through the implementation of the policies that served as the driving vehicle of globalization such as Structural Adjustment Program (SAP), the International Monetary Fund (IMF), and International Bank for Reconstruction and Development (IBRD) now known as World Bank. Trade liberalization requires the states to throw open their borders and ports to all kinds of goods and services including labour without any tariff or restriction.

Consequently, African market has been reduced to a dumping ground for all kinds of goods and services and with low intrinsic qualities, used articles ranging from vehicles, electronics, utensils and wears have flooded the market. These led to the abolishment of the indigenization policy of 1977 that serves as protection to our growing infant industries, which resulted in the shutting down of some of our indigenous industries that could not withstand stiff competition of highly developed world. Privatization has led to the selling of most public enterprises engaged in providing basic services such as electricity, treated water postal services, telephone and port services. The enterprises are now being controlled by the private sector, which operates purely on profit maximization. Prices of goods and services have become exorbitant and therefore not affordable to the masses; besides the basic services provided by Nigeria government is under the persistent IMF pressure to privatise its security printing without consideration for the security implication. Generally, privatization of state owned enterprises worsened the standard of living of masses due to unaffordable prices of goods and services.

Ugwu (2006) asks a more relevant question to know whether economic efficiency is all that government will pursue at the expense of social welfare of the people, particularly if the healthcare, education, public utilities or transportation are privatized and the poorer segment of the population lost access to the benefit from such utility services. Without any adequate provision by government to enhance the absorption of the shock, it will worsen the miserable condition of the masses and the nation at large.

Currency devaluation ensures the declining value of African currencies versus the western hard currencies namely the pounds sterling, dollar and France. The pegging of African countries currency makes the prices of our export commodities such as cocoa, coffee, cotton, hides and skin, bananas, rubbers and others to be ridiculously cheap in the market (Okwofu, 2004 & Onimode, 2000) believed that the prices of imported western goods and services are constantly on high side while the low prices of export lead to low revenue to state, the accompanied inflation of devaluation makes living conditions more difficult for most citizens in the country (Ajayi, 2004).

The removal of subsidies on food, fuel, agricultural input including fertilizer, insecticides, herbicides and seedlings have the effect on the poor people of Nigeria. The removal of subsidies implies cessation of official support and cushion effect on the goods and services concerned. The Nigerian agricultural sector is dominated by small scale farmers who cultivate with low level of technologies employed, prevents the farmers from benefitting from economies of scale and places them at a disadvantage compared to their foreign counterparts.

Giving this contrast between domestic producers and the transnational corporations (TCNS), if they eventually chose to invest directly in Nigeria's agriculture, the loser will probably be the domestic producer. As the large scale farms with their capital and efficient technologies continue to expand and integrate, the small scale producers would eventually be priced out of the farming business thereby losing their jobs (Graces, 2002). The impact of direct foreign investment (FDI): This is said to allow transfer of technology particularly in the form of new varieties of capital input that cannot be achieved through financial investment or trade in goods and services, but recent statistics shows the world poor countries with about 85% of the world's population had only about 21 percent of the world trade and about 20 percent of the world income in 1997. In the last decade, about 85 percent of international capital investment took place in the developed countries compared with about 45 percent of such investment between 1980 and 1990.

A consequence of globalization is global capital flight: Since the emergency of the world's global transparency in Nigeria and in Africa, gave rise to high capital flight to the industrialized countries through our political leaders and stake holders for safe keeping and investment abroad. This attitude is a subtraction from the economic development of Nigeria.

Bond Wagon effect is another impact of globalisation: This refers to globalisation of culture, which is the end result of cultural diversity and triumph of a homogenized culture serving the needs of transnational corporations. Hence, children join the craze of the demand of capitalist market to discard comfortable traditional loose fitting for ill-fitting, unsuitable tight dress through the visit of pornographic website and movies and eat tinned foods, while traditional cultural values and practices decline in importance. It suffices to say that globalization is seen as a new form of cultural imperialism.

information and communication Technologies (ICT). The new revolution in information technology which combines the use of computers, telecommunications, the use of computers and satellite televisions ensures the rapid interconnectiveness of world markets and provides knowledge of markets and business opportunities timelessly. The use of ICT in Nigeria is very poor, massive abject poverty has denied most Nigerians the advantages of the super advanced information technology. The inadequate ICT facilities are a bane to globalization in Nigeria as it constrains foreign investment and global business connections.

**Political and Ethnic Conflicts:** The trends of political and ethnic violence that existed in Nigeria generated tensions all over the country and subsequently led to a 30-month civil war (1967) the controversial step taken by IBB administration at the annulment of June 12, 1993 election is also a mark in the history of political conflict in Nigeria which claimed lives and properties especially in the western part of Nigeria. On the event of Obasanjo's administration trying to proffer solution to oil bunkary saga in Niger delta in 1991, guard were put in place and the youth felt aggrieved and killed four soldiers in Odili village.

The counter reaction by the military razed down the village. Diverse ethnic, sectional and political conflicts such as the Hausa/Fulani vs. Kataf violence in Kaduna, the Yelwan Shendam genocide, Bornu Boko-haram genocide. The acts of killing one another in the same country are not only anti-development but also primitive in this era of globalization (Ewugi-2008).

## CONCLUSION

Globalization has not yielded the intended dividends in the Industrial relations system of Nigeria. Its goal of open competitive market remains a mirage and indeed it may have tied together world economies but its benefits are skewed against Nigeria. Structural reforms imposed on the economies by the World Bank and IMF has worsened the human condition as cost of living became unbearable. The globalized economy has reduced Nigerian market to dumping site for all kinds of junk goods thereby killing local industries which lack capacity for competition, and consequently leading to joblessness and unemployment. The negative contribution of globalization in Nigeria therefore, implies that the globalization institutions as represented by the IMF and WTO are anti-Nigerian development. The role of the government is to provide an enabling environment for local industries, financial institutions, organizations and individuals to compete in a global economy. Finally, globalization as a process, as a strategy and economic policy has come to stay. Globalization therefore remains a major challenge to Nigeria. Nigeria possesses the potential for tapping the accruable benefits of a globalized market economy if the necessary condition can be locally harnessed and externally engineered. The following suggestions therefore suffice:

- Fair trade policies and greater access to Euro-American market. Nigeria should be given fair trade policies and non discrimination against its products in the advanced international market.
- Filling the infrastructural gap. Basic infrastructures such as road, water ways, and electricity and telecommunication facilities must be adequately addressed to facilitate economic growth and development.

- Re-strengthening of sub-regional economy integration such as ECOWAS and SADEC to lay emphasis on production of manufactured goods to harness the advantage needed to meet the challenging standard competitive platform and risks of globalized market economy.
- Limited protectionist policy. The international monetary system and world trade organization should acknowledge the peculiar nature and emerging character of Nigerian economy thereby granting the nation protectionist concessions.
- Diversification of the economy. Nigerian economy must transcend beyond reliance on the major source of raw material for foreign exchange earnings through investing significantly on industrialization and radical reformation of the tertiary education in the continent for technological transformation through proper funding.

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