State and Globalization in the 21st Century: Case of the Nigerian State

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Abstract

State is a social unit created for not profit realisation but to deliver necessary social goods to the general public. It is currently of note that globalisation has continued to question the principal responsibility of state within the economy. The state in Africa became restructured as a result of globalisation. The assertive and pervasive nature of this state was lost particularly in the management and allocation of resources in the economy. Africa has been most hard hit in this regard. No doubt African states with specific reference to Nigeria have actually been enmeshed in this very challenging situation. Thus, this paper tends to examine Nigerian state in the face of present globalising world with the adoption of various market reforms thereby reducing the role of state to a mere spectator within the structure and process of economy. The paper with the aid of interventionist state theory, argues for active and effective state participation to address developmental issues that bother on poverty among others. The conclusion of this paper insists on dominant initiative of the state to redirect the economy in order to improve the well-being of the people in all ramifications.

Keywords: Nigerian state, interventionist theory, economy, globalisation, market reforms

Introduction

The phenomenon known as globalization normally booms on western capitalism and imperialist tenets that usually offer two dialectically conflicting classes of losers and winners among nations. The attributes and structures of advanced capitalist nations hugely dominate and dictates

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the form and nature of globalisation. Globalisation is a process and structure, which is predicated on the political and economic predilections of the leading capitalist ideology. It is to this end that globalisation is labelled variously as westernisation triadisation, Americanisation and internationalisation, to symbolise its supposed skewedness and the associated conflicts prompted by this phenomenon.

Globalization is a contested concept that refers to shrinkage of time and space (Steger, 2009). For instance, McGrew (1992) sees the process of globalisation as the multiplicity of linkages and inter connection between the state and society. It describes the implications of specific decisions in a part of the world for institutions elsewhere. The influence of the policies of the International Monetary Fund and the World Bank on the economies in the periphery depicts the dependence of the economies in the South on the economies in the North and the accompanying financial designs.

To Robinson (2012), the left and progressive forces are struggling to relate with the fundamental dynamics of globalisation. This phenomenon has elicited debate among diverse social and political movements on the globalising processes that shapes social action and the opportunities for popular change. To Robinson (ibid), the activists and scholars are seeking to understand the nature of changes occasioned by globalisation. He concedes that the globalising process has significant implications for human society, social analysis and the modification of extant paradigms. In corroborating this view, Ihonvbere (2002, p.5) insists globalisation is characterised by new ideas, speed, new strategies, technology and new mechanisms for penetrating foreign markets, higher volumes of movement of goods and skills and the shrinking of distances. According to him, it is clearly indicated that nothing is new about globalisation today other than speed which has become its carinal feature. The central notion here is speed and delivery of goods and services in all spheres. This is usually stressed without recourse to humanity.

To Stiglitz (2005), the process of globalization has been posed as unprecedented prosperity to the billions that are entangled in poverty for centuries. He notes however that globalisation engender resistance especially in the developing countries. He insists globalisation is oversold to depict the "'Washington Consensus,'" which has been superimposed on adjusting states by international lenders. Stiglitz (ibid) insists the Washington Consensus replaced government provision with deregulated market and open borders, flexible exchange rate. He contends that the rules of globalisation are determined by the core capitalist states to the disadvantage of peripheral states. He posits that the implications of globalisation include ceding sovereignty, weakening of the state, lack of democracy at the global level, weakening social cohesion and local culture.

The nation-state had been critical actor in the globalisation process; this dominance is confronted with the increasing role of non-state actors that encroaches on the functions traditionally performed by nation-states (National Intelligence Council, 2007). The nation-state therefore shares its sovereignty with regional and global institutions.

This article examines the relationship between globalisation and the state. The pervasiveness of neoliberal reforms in the developing states affects the proficiency of the state to expropriate and appropriate values. The neoliberal ideology is based on the market to distribute resources amid the corresponding decline of the state in production and distribution activities. The state became less assertive and largely amenable to the dictate of the market and international financial agencies. The withdrawal of the state from social provisioning, production and distribution occasioned agitations by social forces to re assert the state as the most important player in the economy. This paper maintains that the recurring developmental crisis in developing states has renewed the struggle to recreate the state as assertive and interventionist state. It interrogates the developmental crisis that engenders the social struggles to restrain the forces of globalisation and strengthen the state.

Globalization and the State: A Historical View

There are two opposing arguments on the phase of globalisation; the first position affirms that the process of globalisation is a new phenomenon. The second strand of argument contends that the phenomenon is not new and it merely reconfigures itself in different forms. It posits that the slave economy, colonial and postcolonial economic and political systems are rooted in globalisation. The new forms of globalisation should be understood within the historical trajectories of world capitalist development. The contemporary forms of globalisation points at the growing relevance of international financial hegemons in the construction of the global financial and economic architecture.

The debate on the age of globalisation is further discussed with a view to establish common trajectory. O'Rourke and Williamson (1999); Hirst and Thompson (2002) maintain that the global economy was properly integrated in 1913 demonstrating liberalisation of trade, economic and stability in finance. It must be furthered argued that they recognised globalisation origin in this given year with labour mobility as the example. The period was considered have integrated the world economy that the recent time. The work of Andre Gunder Frank (cited in Hirst and Thompson, 2002) stresses a world economy that is predicated on international division of labour and multilateral trade from 1500.

Jerry (1999), insists that before 1500 trade networks permeated virtually each region of Eurasia and Sub-Saharan Africa and large volumes of commerce encouraged specialisation of agricultural and industrial production. The phenomenon is also linked to1492 and 1498 when Christopher Columbus discovered the America and Vasco da Gama went on expedition to Africa respectively. Janet Lughod (cited in Hirst and Thompson) describes global trade, which stretched from North Western Europe to China before 1350. Taking globalisation as capitalist expansionism, Harvey (2001) corroborated when he links the phenomenon to capitalism.

To Majekodunmi and Adejuwon (2012), the process of globalisation especially in the economic domain developed through the last five centuries. These scholars insist that globalisation is not a recent experience albeit it acquired more vigor over the last two decades. From the foregoing, the globalisation process is not a new phenomenon albeit with intent to deepen capitalism. The argument that links globalisation to the cold war is more recent. The cold war on the contrary reflected the alternative socialist ideology, bi-polar politics and military rivalry between the superpowers. The collapse of the Soviet Union, the collapse of hitherto communist states in Eastern Europe engendered the dominance of capitalism and its accompanying liberal ideology to the extent that globalisation was further entrenched.

This analysis appreciates the dimensions of globalisation; but the economic context of globalisation is central to the arguments of this work. The concept of economic globalisation is not a fresh event. Between the years 1870 and 1914, the same process emerged which specialists of international economic relations have termed the first globalisation. It is often characterised by the increase in the exchange of services, goods and production factors, as well as an increase in the technology transfer, leading to the widespread of economic growth and tighter integration of national economies, whose result was the merging of world prices and wages (Lascurain and Villafuerte, 2016). Thus, the retreat of state involvement in the economy, the expansion of international trade and foreign direct investment (FDI) including the reduction of barriers, deregulation and liberalisation of markets, privatisation of assets, diffusion of technology, the deepening of production that exceeds local boundaries, integration of capital markets, opening of national economies to trade, capital flights and exchange of information indicate the fundamental attributes of economic globalisation. Indeed, it is the expansion of capitalist markets.

Prior to 1648, when the treaty that ended the 30 years' war was signed in Westphalia, the Holy Roman Empire was turned into battlefield as sectarian forces struggle for control. The catholic family dynasties particularly the Hapsburg (who ruled the greater part of modern Austria, the Czech Republic, Slovakia and Hungary) allied with Spain and the Papacy in Rome; and on the contrary, the German protestant princes formed coalition with the English. For thirty years, the whole of Europe was engulfed in sectarian conflict that claimed millions of lives. The modern state or the European state system emerged in Europe in 1648 as response to the conflict that engulfed Europe and it served as mechanism to mediate the struggle for power and secure political stability.

The origin of the state in the developing countries including Africa differs from those of the states in Europe. This paper discusses the development and nature of the Nigerian state as basis to examine the nexus of the state and the market; and the responses of the state and social forces to globalisation. This state was created to formallyand properly organise the exploitation of the colonised territory in the interest of the mature capitalist state. The emergent colonial state was not based on consent or rooted in the indigenous people; it emerged through military conquest. This state extracted income from the colonial people through taxation in order to sustain its structures. It was repressive of the colonised people and distanced from the populace (Olaitan, 1995).

The colonial state relied on taxation of the local populace including peasants to raise revenue to sustain the machinery of colonial government. The colonial administration was not predicated on the indigenous people, but it was found on the instrumentality of the colonial administration. The successive post-colonial state share attributes of the colonial state in terms of its repressive and alienating nature.

The state in Nigeria is not an instrument of a single social class since the social groups that seek to control the state are weak, underdeveloped, and lack the basis to develop autonomously. The state lacks a hegemonic class since the economy is controlled by foreign interests amid the intense struggles of fractions of the local dominant class to access and control state structures and institutions. This state is repressive, authoritarian, and lack consensus on its core political and ideological interests. The state is over bearing and it is perceived by the exploited and dominated social groups as alienating and malevolent. It is a contested terrain where the similar and dissimilar interests of the social classes are articulated, canvassed, and pursued.

Globalisation impacts heavily on the State - its policies, institutions and functionaries especially in Africa. The State is no longer the sole authority for protecting and promoting the interests of the weak and vulnerable social classes. To this extent, the other institutions that coexist with the state assumed responsibility to deal with some of the disruptions in society. The impact of globalisation on the state varies to the extent of the implementation of market reforms, the social forces that contest the damaging influences of globalisation forces and the responses of state actors to the rampaging forces of globalisation.

Theoretical Anchorage

This study is premised on the interventionist state theory, which itemises the specific form of state that reflects high level of self-sufficiency and possesses resilient institutional capacity, both of which allow this particular form of state to carry out a set of fruitful state-interventionist measures in the process of objectives for developmentalism. The concept was coined by (Johnson, 1982:1-12) with reference to the Japanese state. In his seminal work, Johnson makes a distinction between two forms of state: developmental and regulatory. This theory posits that the Western industrialised states hardly intervened in the markets, but since the late nineteenth century these states adopted regulatory functions. The exponent of this theory submits that "in states that were late to industrialize, the state itself led the industrialization drive, that is, it took on developmental functions" (Johnson, ibid, 1-12). The difference between the regulatory and developmental states lies in their divergent rationales for state-market relations. The industrialized Japanese economy became a reality through a "planned rational" strategy, which negates the neo-classical notion that free market mechanism is the option to pursue economic development. The Japanese experience demonstrates that state-led development strategy could lead to accelerated industrialisation and high level economic growth for late developing countries.

Evans (2010 cited in Subira, 2011) insists on the strength of the state as critical to the developmental state. He notes the bureaucratic capacity of the East Asian developmental state as essential attribute of the process. Evans (ibid) refers to "'embeddedness'" as major attribute of the developmental state. This developmental state avoids experimentation;

it mediates the social backlash of market reforms, and predicates development on human needs. It substitutes technocracy with social policy to reduce social discontent and renew the legitimacy of the state (Leftwich, 1995; Mbabazi, 2005; Mkandawire, 2005).

To Leftwich (ibid), there are six defining characteristics of developmental state. These are determined developmental elite; relative autonomy; a powerful, competent and insulated bureaucracy; a weak and subordinated civil society; effective management of non-state economic interests, legitimacy and performance. Mkandawire (ibid), posits that the developmental state involves production, reproduction, distribution and protection of the people from the distortions of the market. He insists that the condition of production and protection of the weak social groups seeks to reverse the setbacks the social sector suffered as a result of unrestrained neo-liberal experimentation and the commercialisation of social provisioning.

Chang (2005, p.192-199) argues that the successful developmental state coordinates investment plans; articulates development vision; engages in building institutions to promote growth and development; and mediates conflicts occasioned by reactions and counter reactions to the trajectory of development between the winners and losers. The development state is visible in Africa despite the perception of the absence of mystical "oriental" institutions and culture, prevalence of patrimonial politics, and weak capital formation argues Mbabazi (ibid: 54; see also Mkandawire, ibid p.47-49; Oni, 2005; Cline, 2005). He disagrees with the "impossibility thesis," which is linked to the vulnerability of the state to vested interests.

The developmental state theory negates the theory of market, which insists on the sanctity of the market in the management of the economy. This theory repudiates the monologue occasioned by neoliberalism and the accompanying arrogance of state actors on its inviolability. The developmental state is a leading player in the economy, which is imbued with the capacity for strategic interventions and effective bargaining in a sense that protects critical national interests. The developmental state is therefore posed as alternative to neo-liberalism to redeem the state and roll back the forces of globalisation.

State and Market: Constructing options for Nigerian state

There is subsisting debate on the relationship between the state and the market especially in developing economies. It bothers on what should be the limit of the market and the purpose of the state. The adoption and implementation of market reforms in Nigeria led to the increasing role of the market and the decline of the state in the distribution of resources. To be emphatic, the social manifestations of the contradiction of globalisation are more glaring in the global south. Countries in this global divide are wallowing in indebtedness that has robbed the states their capacity for objectification in terms of social welfare provisioning and with consequent delegitimation. National assets are threatened through privatisation and debt equity swoop option revenue bases for government are eroded through TNCs insistence on creation of tax havens Akhaine (2002, p.3). This paper mediates the debate on the nature of the link between the state and market for developing societies.

The market reform is an integral element of economic globalisation. Economic globalisation delineates the nexus between the state and the market. It prefers the state decline and the market gains ascendancy. The notion of limited government or the withdrawing state deepens the role and purpose of globalisation. To Ibrahim (2013), globalisation introduces anti-developmental trends through making the state irrelevant or marginal to the developmental process. He argues that the development policies that focus on stabilisation and privatisation, rather than economic growth, development, poverty eradication, are campaigned by external donors thereby leading to increased poverty and inequality; and undermining the ability of the mass of people to participate effectively in the political and social processes in their countries.

Prior to the application of market reforms in Nigeria, the state was somewhat emphatic and it was involved in the production base. The state before the introduction of Structural Adjustment Program, SAP; replicated a relatively assertive and noticeable state. The implementation of market reforms in many countries in Africa altered the nature of this state. The market reforms sought to reduce the size of government and concurrently heighten the status and relevance of the market. The pursuit of market reforms, however, provoked social forces that protested the social fallouts of neo-liberal paradigms. The state nature and character also assumed a new form in the sense that the somewhat benevolent state became less accessible and distanced from the working class and other social classes.

The market reforms became neo-liberal predicament that further crashed Nigerian economies that got involved relative to those that did not adopt it (Hoogevelt, 2011 cited in Usman & Bashir, 2018). The International Monetary Fund, IMF; vigorously pursued privatisation and liberalisation at a pace and in a sense that often imposed very real costs on countries ill-equipped to incur these (Stiglitz, 2005). Stiglitz (ibid) criticises the privatisation and liberalisation policies as aspects of the Washington Consensus; and he argues that the IMF articulates its plan from narrow ideological perspective. The privatisation component of market reforms in implementing states had been pursued rapidly and scorecards were kept for the countries making the transition from communism to the market. The states that fast-tracked the implementation of privatisation had high scores; the accelerated pursuit of privatisation often did not attract the gains that were pledged. The crises that emerged from these failures became antithetical to the notion of privatisation.

The actual quest of market reforms created impediment for social relations in Nigeria. The social class relations became altered as result and social antagonism ensued due to the anti-poor impacts of neo-liberal measures. The worst hit social groups are the working people, urban poor, middle class and the peasantry. These social classes became impotent as result of harsh and emasculating social and economic policies. The social struggles in the region in the middle of 1980s on market reforms underpinned the somewhat class nature of the struggles especially against the governing class that became arrogant and exhibited affluent lifestyles despite the growing social inequality, deprivation, and hopelessness.

To Stiglitz (ibid), the Washington Consensus fails to prioritise the distribution of "fairness." This plan prescribes trickle-down economics that is not hinged on deliberate reallocation of wealth and welfare programs, the developmental advantages, therefore, hardly trickle down. The results of the policies enforced by Washington consensus for most countries embracing its tenets has been slow, and where growth has occurred, the benefits have not been shared equally. The crisis accompanying the policies has been mishandled and the transition from communism to market economy a discontent (Stiglitz, ibid).

The conflicts of market reforms discussed earlier have provoked the debate on the state and market. The criticisms of the state bother on its hijack by the international financial institutions and the local predatory ruling elite. The contradictions formed the rallying point of social forces to canvass alternatives to market reforms and globalisation. These groups insist that the state rather than withdrawal should play leading role in the development process.

This work argues for assertive and interventionist state to replace the weak and amenable state that characterise market reforms. The region has been impoverished and the people are pauperised as result of market oriented measures. The social structure has been altered, and the political system weakened as result of recurring conflicts, which are tied to poverty, denial and hopelessness. The state lost its raison d'être; which is the welfare of the exploited social classes. This state lost its legitimacy when it failed to deliver social services to the populace. The failure of the state in this respect led to the emergence of "'alternative governments'" especially at the local level, which are involved in social provisioning and attracts loyalty of the people.

This analysis posits that the level of underdevelopment and structural distortions engendered by market reforms demand a supervisory and interventionist state to intercede the development crisis confronting the region. The developmental state alternative is significant for these reasons. First, it appreciates the undeveloped nature of the region and the imperative to address pressing developmental issues. Second, the failure of market reforms to address human imperative has been challenging. Third, it avoids experimentation that is linked to market reforms.

Concluding Remarks

The article examined the existing literature on the age and basis of globalisation. It noted that the literature largely agreed that globalisation is not a new phenomenon. The relationship between the state and the market in Nigeria was examined. This state was criticised for its declining relevance and legitimacy as a result of market reforms.

The study however argues that structural distortions and underdevelopment of Nigeria with the failure of neoliberal measures in the era of globalisation to mediate its economic crisis, generated the argument for the developmental state and canvassed that the fragile state prompted by market reforms should be rejected and replaced with predominant and effective state, which intervenes and plays critical role in the matter of development. Globalisation has largely ignored the human side in the development link; the interventionist state is equipped to fill this lacuna.

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