GLOBALIZATION CRISIS AND NATIONAL SECURITY: A REFLECTION ON NIGERIA TEXTILE INDUSTRY

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Abstract:
This paper examined the impact of globalization on the Nigerian textile industry with focus on job loss and national security. It gave an insight to the fact that, just as fire has several benefits to mankind, its harmful effects are enormous. Thus, while globalization has several palpable positive effects on the country's industrial growth, it also has strong adverse effects on employment in Nigerian textile industry vis-à-vis Nigerian security. The problems associated with globalization and liberalization of trade also hinders economic growth, security, and sustainable development. The impact of this kind of economy on job security is far-reaching. This paper is predicated upon information obtained from secondary and primary sources and evidenced from the rate of non-performance of the textile industries in Nigeria. The paper suggested that Nigeria needs to redirect its resources towards building self-sustaining independent economy.

Keywords: Globalisation, national security, textile industry

Introduction:
Globalization is not a new process. It is viewed as the integration of national economies through trade and capital flows between nations, made possible by trade liberalization, the removal of capital control and the advancement of technology (Awolabi, 1998; Ojo & Obaseki, 1998; Ajayi, 2003). Globalization involves broadening and strengthening of relations between the economies of the developed and developing countries through trade, finance, investment, technology and migration. The recent development in globalization is therefore predicated on the notion of interdependence between the internal and external sectors of an economy. Today, it is perhaps the most important trend shaping national economies world wide which is defined as "key idea by which we understand the transition of society in the third millennium" (Waters, 1995:).

Globalization is not just some passing trend. Today it is an overwhelming international system shaping the domestic politics and foreign relations of virtually every country, and we need to understand it as such (Friedman, 1999). It can be likened to fire which has its positive and negative effects depending on its use or misuse. Thus, it could be to the benefit of the developed while destroying the underdeveloped. The predicament that bedeviled the Nigerian textile economy that earlier had considerable advantage in textile production, which manifested itself in the last three decades as a result of globalization, resulted in steady deepening economic crisis which has had adverse and far reaching consequences. This considerably affected the textile industry, wiped out labour and left behind an unsecured nation (Muhammad, 2010).

Over the past five centuries the economically advanced countries had increasingly extended their outreach through various means, be it slavery, colonialism, and post colonial economic policies (Amin, 1998; Nabudare, 2000; Rodney, 1974, Toyo, 2000). The era of globalization has become more intensified with the fall of the Berlin Wall, making the global economy more integrated, neo-liberalism becoming intense destroying the economic base of the industrially and technologically less developed states mostly in the underdeveloped countries. Consequently, in the past three decades, economic globalization has accelerated as a result of various factors including, information technologies (internet access, mobile phones, spread of commerce, travel and innovations) that have swept across the world. The intensity with which the world is being brought together into a single globalized market place is immense from "a system built around division and walls to a system increasingly built around integration and webs (internet)" (Friedman, 1999). The integration of the world economy and the influx of cheap textile materials, especially from Asian markets, had not helped textile factories in Nigeria. Capacity utilization declined, installed efficiency crumbled, jobs vanished making Nigeria more vulnerable to security threats and criminal actions.

Globalization and the Nigerian textile industry:

Nigeria ranks as Africa's largest manufacturing economy after South Africa and Egypt and twelfth among developing countries, with manufacturing value added estimated at $3.4 billion in 1985 (UNCTAD, 1997). In spite of the above fact, the Nigerian manufacturing sector is still very small and remains heavily import dependent. The manufacturing sector accounts for about 8% of the Gross Domestic Product (GDP) in 1990. Since 1980, compared to developing countries like China, Indonesia, Malaysia the performance of the manufacturing sector has been less than impressive. The annual increase fell sharply to 0.8% compared to the average of 10% in the previous two decades, the report further suggested. This fall was due to a host of reasons related to lack of permissible environment such as (a) Policy and polity instability; (b) Poor macro-economic environment; (c) Bureaucratic bottlenecks; (d) Poor legal environment which could not guarantee property right and safety; (e) Misgovernance; (f) Corruption; and (g) Low commitment of past governments to industrial development.

Obasanjo (2000) observed that real characteristics of the Nigerian Industrial Sector include: (1) low capacity utilization, which average 30% in the last decades; (2) low and declining contribution to national output, which average 6% from 1997 to 1999; (3) declining and negative real growth rates; (4) dominance of light assembly type consumer goods manufacture; (5) low value added production due to high import dependence for inputs; (6) prevalence of unviable state owned enterprises; (7) accumulation of large inventories of unsold finished products; and (8) dominance of sub–standard goods which cannot compete internationally.

A critical look at the specified factors demonstrated that the textile factories in Nigeria are working in an adverse socio-economic atmosphere. With these overpowering tribulations, it is not unexpected if the textile factories reduced staff strength or even shutdown operations.

A developing state like Nigeria making an effort to scheme into liberal trade discovered that it must battle with reputable factories in industrialized states with modern technology, better managerial abilities, financial capabilities, and even intangible assets such as brand-name loyalty. In the presence of rivalry, it is very hard for the factories from a developing state to endure in their own home market, not to talk of flouting into export markets, if free trade prevails (Chang, 1996). The implication, according to Mkandawire and Soludo (1999) is that some defense or subsidization of the infant industry would be required initially before divulging into global rivalry.

Coupled with this is the problem of downsizing through persistent trimming of the work force. This again inevitably means operating at lower levels of capacity. It is quite unfortunate that the local textile firms were not prepared for the competitive challenge entrusted upon them by the unannounced incursion of the liberalization and globalization of trade. The impact of the liberalization agreement is that the local textile firms have been operating at a comparatively disadvantaged position. The problem is further compounded by the fact that some of the imported prints found in the Nigerian markets are often under-invoiced from the country of origin. This again inevitably makes imported fabrics cheaper than domestic ones. The consequences have been unbearable for the domestic industry. The present state of textile industries in Nigeria can be linked to the collapse of infrastructures (power, transportation, water supply, and communication), inflation, growing debt, weakening of the currency, ethnic and religious violence, and collapse of public security.

Academic Staff Union of Universities (2002) declared that as *Nigerian economy has been taken over by the forces of globalization, no serious and conscientious effort is made to initiate the process of economic growth and development through internal resource utilization and capacity building. This has persistently undermined the transformation of the Nigerian economy from an underdeveloped productive base to a significantly developed economy. Even though Nigeria has all the requisite resources for economic development, its over-reliance on the dictates of the "global economic order" has made it a good source of development for other economies mainly in Europe and America.* It is, thus recognized, that the low level of industrialization is due to lack of internal protection policies. These have placed Nigeria in this helpless circumstance where the country lacks direct control over the crisis in her economy because her hands are tied by the terms and dictates of globalization. What has been happening in Nigeria since the 1996 WTO agreement is the consolidation of the recolonisation agenda (Ayagi, 1990).

Dell (1982) provided justification for the protection stance by arguing that t*here is not a single industrial country that did not employ vigorous protection at some stage in its history. Among the much-applauded newly industrializing countries... the most important have highly regulated economics. Even Japan, a highly industrialized country, and the miracle economy of the century, continues to this day to protect its industrial development in a variety of ways".* The European Union and the US had protected some of their high - cost industries, such as textiles, to save jobs in their own countries. In other words, this protected them from globalization. The restrictions on trade to protect developed world textiles come at the expense of producers and workers in developing countries. Nigerian textile producers simply could not compete with the influx of textile materials as they were made with superior machinery and cheap cotton subsidized by their governments. The textile materials were "stylish, cheap and better made"; and our industry didn't have a chance even though we wanted changes that would allow our textile industry a chance to catch up with the rest of the world and really compete." (Adhama, January 2007).

Nigeria in 1997 had a total weaving capacity of 19,200 automatic looms with a third of them being shuttle type. According to this, the country has by far the largest weaving capacity in sub – Saharan Africa (UNCTAD, 1997). However, most of the conventional shuttle looms are obsolete. Of the estimated 660,000 spindles in the spinning activity, 70,000 are active while 150,000 are more than two decades old. Similarly, the machinery and equipment used in bleaching, dyeing, printing and finishing sectors are out dated. Worst still, in recent times, a number of textile factories closed down in manifold due to low demand and input materials shortage (Philips & Titilola, 1997).

Larenwaju, in an interview with *Weekly Trust* Newspaper (2003), showed that by 1980's there were 175 textile companies in Nigeria which narrowed to 125 in the 1990's. By 2003, he claimed that the textile companies that remained in operation were not up to 50 and the number of workers laid off could not be quantified (*Weekly Trust,* November 2003). Furthermore, as at July, 2007 among the 30 that were in existence, over 10 have already closed (Leadership, July, 2007). Thus, between 1990 and 2010, no fewer that 151 textile firms closed factories. Industry players believe this devastation of the sector has resulted in the fast drift into a wholly imported textile dependent country.

While discussing the collapse of textile factories in Kano and in Nigeria generally, Comrade Aminu Suleiman, the National Senior Assistant General Secretary of National Union of Textile Garment and Tailoring Workers of Nigeria (Muhammad, 2010) asserted that by 1980 Kano had 40 textile factories but as of 2003 not up to 10 were in operation. Some of the closed factories in Kano are Kano Textile Printers; Kano Textile Industry; Bagauda Textile Industry; Leaders Textiles; Nonik Textile Industry; Kayfad Textile and Gaskiya Textile Industry. These industries, according to him, employed a minimum of 500 workers to a maximum of 4,000 depending on their size and capacity. Mr. Suleiman further assert that Universal Group of Companies, a conglomerate of five companies, employed ten thousand (10,000) workers some years back but as at 2003 only three thousand (3,000) workers were left. He further claimed that in the 1980's textile unions have 250,000 memberships. From 1987 to 1999, 50,000 were sacked and from 1999 to 2003 130,000 lost their jobs, in Kaduna as at February, 2008 only Chelco Textile Industry was in operation.

Globalization in Nigeria calls for cooperation/partnership and alliance among countries to cushion the effect of the rampaging economic convulsion of the developed economies and the perennial failure of public power supply. This had compelled producers to generate their own electricity, which in turn crippled the textile factories. Other numerous problems which had made the local textile industry uncompetitive included contending with high cost of imported raw materials; payment of multiple tax regime with prohibitive interest rates on loans; and costly means of transportation. The effect of all of these is that imported textiles now account for more than 90 per cent of the nation's textile market. This indeed, negatively stream-down labour force in the industry (Muhammad, 2010).

In summary, globalization produces more domestic losers in the developing countries than winners and diminishes the ability of the state in its inability to compete with others. Globalization has undermined ethical equity and concerns to support market considerations. It wipes out the sovereignty and autonomy of states in the periphery in the economic and political sense. It is perhaps the most important trend shaping national economies world wide with the developing economies at the receiving end of the negative impacts.

Job loss in the Nigerian textile industry

Globalization tightens the Nigerian economy rather than reinforces it, thereby creating a new menace to human security and development. The increasingly unified and borderless, Nigeria comes out in a difficult position. Whereas Nigeria has made and is making enormous contributions to the global economy, it remains at the receiving end of the side effects rather than through the gains of globalization.

Earlier on, about 2,500 textile workers lost their jobs following the closure of three textile factories. This brought the total number to thirty-eight, with the closure of International Textile Industry in Isolo and its processing house in Ikorodu, First Spinners Limited and Reliance Textile Industry.

Most of the job losses were from closure of some of the traditional big industries due to factory closures, redundancy, dismissal, termination, and resignations. The losses were highest in 2007 with a total number of 5,515 with the closure of two major factories in Kaduna and Lagos. While in 2004, 2,644 jobs were lost. Losses rose to 4,990 in 2005 and 3,496 workers in 2006. Over 30,000 indirect jobs were lost including those of suppliers, traders, cotton growers and other casual workers. (www.thenationonlineng.net). The existing factories which have since been cutting down on jobs owing to inability to cope with the high cost of production are operating at below installed capacity (www.thenationonlineng.net). It is not only employees that are threatened by the effect of the global economic crisis, but also the dependents, unions, and the nation in general share in the problem.

Undoubtedly, the textile industry had its unfair share of the country's penchant for foreign goods, smuggling, faking and counterfeiting. The recent spate of closure in the industry was driven largely by smuggling at the borders, failed government policies, high operating cost arising from prohibitive raw materials, energy cost, and sheer lack of political commitment to industrialisation by Nigerian policy makers. The Nigerian textile industry, when fully revived, will fetch Nigeria about ten million jobs and the ugly trends of unemployment and insecurity associated with it will be checked.

Impact of job loss on national security

The relevance of security in our present day society can be said to have been addressed only briefly. Security is the basic ingredient in the survival strategies and development plans of any given society. Security means the assurance of future well being and freedom from threat. National security should ideally be seen as the ability of the Nigerian State to successfully achieve her national interests. It is a fact that when jobs are not secure, the individual is not secure. When the individual is not secure the State cannot be secure, and if the State is under attack from an external force the State and the individual cannot be secured. This is the case of textile factories in Nigeria. The Chief of Defence Staff, Air Chief Marshal Paul Dike, has said that the growing incidence of unemployment in the country constitutes a grave threat to national security (www.thenationonlineng.net).

Availability of jobs plays an important role in wiping away crisis, which could escalate into gargantuan with momentum. This becomes more desirable as Nigeria today faces numerous threats to its stability. It can therefore be concluded that employment of youths is in favour of survival of peace, harmony, stability, well being, the sense of self confidence, and a clear vision of the future for the people of Nigeria. Employment is a prime security consideration. Armed robbery, including armed urban burglaries, *jagaliya* and *banga* and other violent crimes are now rampant and increasing daily. Travel at night is almost at a standstill, and the rural country side is dead after dark. Deindustrialization is of course major cause of social restiveness among able bodied youths.

Unemployment now looms larger than plague and a threat to the nation's quest for development. The surge of crime and the increasing incidence of violent tendencies by the youth were attributable to unemployment in the country. Without employment (security), no nation will be able to contain the various forms of uprising necessitated by hunger and abject poverty. Security today is truly pervasive and, as such, controls human thinking and behaviour.

Conclusion and recommendation

Since the 21st century will essentially be the millennium of technology, information, and knowledge, the present socio-economic conditions of Nigeria suggest that we still have a long way to go in the global competition of the century. Nigeria's economy is not only dependent on rent derived from oil but also extroverted in terms of importation of industrial goods from outside the shores of the country.

It is clear that globalization and all that accompanied it is not something to be accepted without question. It is something to be embraced with wisdom and reservations because from all indications, there are risks and costs, and there are adverse implications for international economic stability. This notwithstanding, it also has its own potential benefits. But for a developing nation like Nigeria, the risks and costs associated with globalization seem to outweigh its potential benefits.

New strategies for industrial development should be worked out. These strategies must avoid the mistakes of the past and be geared towards the social and economic objectives of the respective countries. Transfer of technology and its development and the removal of the trade wall built against industrial exports from the less developed world should be discouraged.

Nigeria must build the basis of competitiveness. It must develop the essential physical and human infrastructure to compete. The challenge now is for Nigeria to use the enormous resources it has to build a coherent, internally consistent, self-sustaining economy which will be competitive in the world market.

The industrial countries must understand that developing countries' interest cannot be ignored without them addressing the economic imbalances so that chaos does not engulf the world. A package of special measures for least developed countries must be issued. Under these circumstances, in formulating international economic strategies for the new century, we would need to individually and collectively emphasize creating a new partnership for development through the establishment of the new international economic order that will generate equality, stability, and order. These, then, will generate the quality stability and prosperity for all countries and all people.

A stimulus package is a good measure that would help to ignite the economy positively. Institutions in foreign countries are being rescued with financial bailout from their government using taxpayer's monies; the Nigerian government has no plan to rescue the different sectors of the society that need such funds to lessen the effect of the global crisis. Recently, the President of the United States of America, Barack Obama announced his administration's $775 billion stimulus plan to create up to 4 million jobs by the end of 2010. The wiping away of jobs amidst the high rate of unemployment would definitely be disastrous for a Nigerian State that has no economic structures in place.

The warning hinged on the perceived dwindling number of functional texile industries in the country from 175 to 24 (*Daily Trust,* January 2010). The country will make little or no advance in its development if it fails to resuscitate the dying textile sector which provides employment on a large scale. Exports from the sector in Nigeria have dwindled from $44 million five years ago to only $11 million now (www.thenationonlineng.net). There persists a gnawing underlying worry whether the endeavour called Nigeria will survive beyond 2015 as postulated by the American Government for the loss experienced as a result of globalization far outweigh the gains.

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