

## **IMPACTS OF GLOBALIZATION TO AGRICULTURAL PRODUCTION IN DEVELOPING ECONOMIC OF NIGERIA**

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### **ABSTRACT**

*The study was carried out to examine the impacts of globalization in agriculture Production in developing Economic of Nigeria. The agricultural activity in the Nigeria is known to be the panacea of the economy growth of the country where it contributes an approximate of 69-70 % to it labor force. Its impacts to the country GDP has shown a serious drop down continuously over the years as a result, leading to a lower productivity index. It contribution to economic of the country GDP at present is 23.587 % with about 6-7 % in terms of it incomes from exportation. The statistic uses a bar chart graph, the highest GDP obtained was 37.5% in 2009 and lower GDP of 17.4% was also obtained in year 2018. The variance was 34.89 with a confidence interval of 3.96 at 95% confidence. The data obtained were secondary data from national bureaus of statistics. The study made use of annual time series data spanning from 2008 to 2018 of production with degree of fairness, and production output to assess the impact of globalization on agricultural productivity as a proxies to the output of agriculture in Nigeria, to eliminate the existing imbalance to agricultural business, and to employ the process that will aid agricultural reforms across various sector of production. These studies concluded that the impact of globalization has not significantly improved on the growth of agriculture activities in Nigeria.*

**KEYWORDS:** *Globalization, Impacts, Agricultural, Production, Developing Nigeria*

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### **INTRODUCTION**

The term globalization is used to explain the present intercontinental or inter-global economic dispensation, as well as social and political incorporation. It's also a panacea that tends to promote the development of a growing nation or developing economy through the advancement of technology and innovation among members' nations.

Beverly and carol (2019) explain that globalization is the spread of product, technology, information and jobs across national borders and cultures. John (2002) define globalization as a means of enhancing the role of agriculture as a growth engine of low- income countries is to making it possible for agricultural to grow considerably faster than domestic consumptions. They also assert that globalization increases the potential of food security through massive employment and intensive with non-tradable rural and non-farm sector through which hunger and poverty are eliminated when the global processes are put in place (Beverly and carol 2019).

However, Shuaib *et al* (2015) posited that globalization is not without negative effects in spite of its positive effect and acceptance, most especially on developing nations of the world.

Literature has it that developing and emerging economies suffer significantly from the negative effects of globalization while the developed countries do not (Aluko, *et al* 2004, Clark 2000, Bhagwati 2004, Adams 2004, Adenikinju 2006, Akinmulegun, 2011, Shuaib *et al* 2015). These schools of thought argued from the perspective that the developed countries benefit more from globalization.

These trends have been underway throughout history. As reflected in the previous findings, they have moved unusually rapidly in recent times because the cumulative breakthroughs in basic science have allowed an extraordinary acceleration in the reduction of transfer costs of the 1970s and the early 1980s (Akor 2009). The objective of this study is to examine the level at which globalization has impacted agricultural production and sustainability in developing economic.

### **SOME DRAW BACKS IN BENEFITING FROM GLOBALISATION**

The growing or developing nations has experience a decline in economic growth which lead to a decline in it agricultural production and sustainability, thereby leading to kit change in production and consumptions index. This trend is a pattern that leads to the problem of food production and security in a developing nation as thus lead to stagnation or decline in production. It is regrettably to say that in recent years, agriculture which tends to stand as the mean stay of Nigeria economy has experience a tragic with tremendous stagnation since the advent of oil boom, so much that the country spent a lot of money in importation of agricultural commodity from foreign importation of foods products. This draw back has to be view from the socio economic impact of agricultural credit on the people through identifying the problem faced by this small scales farmer in terms of new innovation and technology, through dissemination of current information related to current research and development in agriculture and also the constraints that may likely arise through acquiring and given of loan credit from government to famers so as to adopt the newly acquired global innovation in agricultural production within it global context, instead of importation of foreign investment which has not impacted much to the local production of good and services in the developing economy.

### **METHODOLOGY**

The study was conducted to examine how globalization has impacted agriculture in Nigeria and it economic growth. In these studies, relevant data were collected through secondary mean by consulting various literatures and internet. The techniques use in the analysis was purely descriptive and were used to assess the impact of globalization on agriculture and economic growth of the country through the use of the secondary data obtained. This analytical tool uses a descriptive statistical analysis which is further discussed below. It is worth mentioning that data used in this paper was secondary, and was obtained from statistical records of the ministry of agriculture and National Bureau of statistics (NBS). And the descriptive statistics was used to analyze the impacts of globalization on the performance of agriculture from 2008 to 2018 which were explained using a bar chart. Descriptive statistics will showed the GDP distributions, estimation and hypothesis testing, and variance, so as to know the variation across the GDP'S between these durations.

### **THE STUDY AREA**

Nigeria as a Republic is located in Western region of the Africa continent, and is located in latitude 40-140N and longitude 30-150E. It bordered with, Benin at a distance of 773km, and Niger with a distance of 1497km, Cameroon 1,690km and Chad 87km to the north. Nigeria as a country is made up of 36 states including Abuja which is the capital.

Nigeria becomes an entity during the amalgamation of both the northern and southern Protectorate in the year 1914. Nigeria acquired its sovereignty from the Britain in the year 1960 which mark the independence year. The country covered an area of land mass approximately 923,768sqkm. the land boundaries is approximately 4,047km, with a coastline of 853km. The climate of the study area varies across the country with an equatorial climate from the south and tropical climate from the central and arid in the northern part of the country. Temperature across the country is relatively high with a very narrow variation in seasonal and diurnal ranges (22-36t). There are two basic seasons; wet season which lasts from April to October; and the dry season which lasts from November till March. The dry season commences with Harmattan, a dry chilly spell that lasts till February and is associated with lower temperatures, a dusty and hazy atmosphere brought about by the North-Easterly winds blowing from the Arabian peninsula across the Sahara; the second half of the dry season, February – March, is the hottest period of the year when temperatures range from 33 to 38 degrees centigrade. The extremes of the wet season are felt on the southeastern coast where annual rainfall might reach a high of 330cm; while the extremes of the dry season, in aridity and high temperatures, are felt in the north third of the country. Source (Nigeria geography information 2015).

### **The Hypothesis used Includes**

- $H_0$ : null or alternative rejected.
- $H_A$ : Alternatively accepted the null.

Its imply: where the P-value is less than 5% level of significance, or the critical values is more than the p value at 5% level of significant we there by decide either to reject or retain the  $H_0$ .

### **RESULTS AND DISCUSSIONS**

The study provides evidence that globalization plays no significant role to agriculture contribution in GDP of the country. The patterns through which it contributions were observed identified it responsiveness, as well as it resilience ways to agriculture; this could be look into asa point of emphasis through which this trend can be invested upon. This study also identified that globalization input a little or no impact on agriculture growth in Nigeria. This agreed with the opinion that poor or lack of investment in various agricultural activities may be responsible in the decline in agriculture production in Nigerian agricultural sectors. From the Table 1, it showed that the %GDP of agriculture has a drastic decrease from 2010-2018, similarly from figure 1 the histogram report that the drastic fall in of agricultural GDP (agdp) was recorded in the millennial years which may be due to globalization lingering with it negative effect on food security and production as well as in developing the economic challenges, which arises in this regards.

The statistic from the study, as indicated in Table 2, recorded that agricultural GDP in the developing economic like Nigeria show that globalization has not appreciably impact agricultural production.

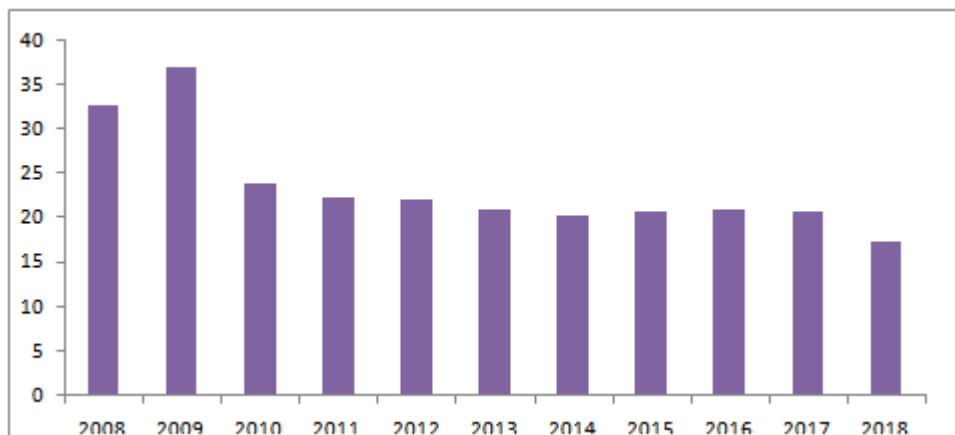
Degree of fairness with foreign exchange in recent period has a negative relationship and is not statistically significant with the agricultural output. This is not unexpected as it depicts the negative effect of globalization on agriculture in Nigeria, in such a way that Nigerian agricultural products were not being traded on international arena despite the positive effects of this globalization period. To attain the position of food security and reduction of hunger globally, globalization must largely be on this particular role. Which according to FAO (2005), agree that agriculture can facilitate the attainment of millennium development goals (MDGs) through the direct or indirect connection to food availability and the elimination of poverty growth index of the country, but this has not perfect the assertion of

globalization since the result showed a drastic decline in agricultural production as from the histogram in Table 2 from 2010 to date. This is also observed from Table 1 where the GDP for agriculture (agdp) showed a decline from 2010 to 2018 with lowest rate as of 2018. Which according to Shuab *et al* (2015), that globalization cannot function without a lingering effect to the developing of country economic. Similar reports were recorded by Akor (2009). The results also show a mean average value of 23.57% for the whole period of 10 years GDP of which that of 2008, 2009 is far better than the cumulative mean average GDP's combined together.

**Table 1: Percentage (%) GDP Contribution of Agriculture**

Variable	Periods	GDP
Agdp	2008	32.85
Agdp	2009	37.05
Agdp	2010	23.89
Agdp	2011	22.29
Agdp	2012	22.05
Agdp	2013	21.00
Agdp	2014	20.24
Agdp	2015	20.86
Agdp	2016	20.95
Agdp	2017	20.85
Agdp	2018	17.42
Gdp	10	23.587

Sources: bureau of statistics © 2019



**Figure 1: Agriculture GDP Chart Showing GDP/Years.**

**Table 2: Summary of the Statistics Data from 2008-2018**

Periods	Mean	Standard Deviation	Standard Error	Variance	Confidence Level at 95%
2008-2018	23.587	5.907	1.781	34.894	3.968

**CONCLUSIONS**

The study on the impacts of globalization in agricultural production in Nigeria is highly imperative most especially in this period of agricultural revolution in various nations. The study finds a support to the view that globalization has not significantly impact the agricultural productivity in Nigeria because of the low inflows of foreign direct investment to the agricultural sector, high effect of exchange rate instability on the export prices of the agriculture products and huge import of agricultural products which are substitute to what has been produced in the country which

bring to the conclusion to reject the null hypothesis ( $H_0$ ) that globalization is the a panacea to developing economic. The production index output of the explanatory variables is highly insignificant as it contribution to agricultural productivity because the huge population of the country depends on consumption of crops from agriculture. As a result of the findings, the study concludes that globalization contributed little to non in the growth and development of agricultural industry as it does to other sectors in Nigeria such as service industry and manufacturing industry.

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