

Effects of Ethnicity on the Globalization Process

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Abstract

In the recent years, the globalization process has been challenged worldwide by several forces the most serious of which is that of ethnicity which has found expression as patriotism, self determination and ethnic chauvinism. This paper examines the globalization process and ethnic nationalism in contemporary era to see how the forces of ethnicity have affected the globalization process. The paper finds that ethnic sentiment aims at protecting the sovereignty of the countries involved, giving their nationals a greater control over their national economies and those of other nations, and is therefore expressed by both the developed and the developing nations. The paper concludes that aggressive national posture can only be removed or reduced if the globalization process gives the people a reasonable degree of control over their development, and, if the barriers are removed against the movement of people from the developing nations to the developed.

Key words: Ethnicity; Globalization; Patriotism; Self-determination; Discrimination

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INTRODUCTION

The globalization process involves free trade and investment across national boundaries and the breaking down of trading barriers among nations. It also involves the free movement of people and funds across national boundaries and the adoption of a host of other business practices that are designed to make international trade free. However, the globalization process has been riddled by a number of problems the most serious of which is that of ethnicity. And the question that arises is why are these ethnic influences there and what are their character and purposes in the globalization process? Ethnic influences are believed to have arisen due to the discriminatory economic policies emanating from multilateral economic arrangements which defy the basic tenets of a free market globally. The discriminatory trade policies and elements of protectionism noticed in the actions of some nations have tended to move capitalist production to what Lenin (1917) described as “monopoly capitalism”.

This monopoly nature of contemporary capitalism has necessitated the merger of producers world wide and the introduction of obstructive national policies by nations whose interest are threatened by these capitalist developments. The nationalist (ethnic) postures are aimed at protecting the sovereignty of the nations involved, giving their nationals a greater control of their national economies, and stabilizing the economic development of their nations. These nationalist orientation become more aggressive, violent and destructive if a nation’s involvement in the globalization process reduces the nation’s political and economic sovereignty and the participation of her nationals in the nation’s economic processes.

These ethnic influences can only be removed or reduced if the globalization process gives the people a reasonable degree of control over their national economic and political processes, and a great deal of the gains of the economic development and modernization; and, if the barriers against the movement of human and material resources across

national boundaries, especially, from the developing nations to the developed nations are removed or reduced.

1. STATEMENT OF PROBLEM

In the recent times, the globalization process has been challenged world-wide by several forces, the most serious of which is ethnicity. In every nation of the world, ethnic sentiments in the forms of patriotism, self-determination and ethnic chauvinism have disrupted, challenged and hindered the free movement of people and resources world wide and investment by entrepreneurs in certain business ventures in specific regions of the world. This persistent expression of ethnicity on matters of trade and investment world-wide by both the nationals and governments of most nations raise lots of questions as to the future of the globalization process. This study therefore examines the following problems: why is the globalization process attracting the expression of ethnic sentiments? What are the nature and effects of ethnicity in the globalization process? What should be done to reduce or eliminate the ethnic influences on the globalization process to help nations achieve sustainable development?

2. GLOBALIZATION PROCESS AND ETHNICITY

2.1 Globalization Process

The globalization implies free trade and investment across national boundaries. According to Fafowara (1998), globalization process involves increased breakdown of trading barriers among nations and the increased integration of the world economy. As Kwanashie (1998) pointed out, it is the process of integrating economic decision-making such as consumption, investment and saving processes across the nations of the world; a process of creating a global market place in which all nations of the world are forced to participate; and the process of shifting autonomous economies into a global system of production and distribution. It also involves the free movement of people and resources across national boundaries (The Economist, 1995); and the adoption of business practices that have worked out in distant lands by other nations to improve their productivity, efficiency and profitability (Business Week, 1992).

As Fafowara (1998) pointed out, it is facilitated by the increased liberalization of world trade; breakdown of trade barriers through global reduction of tariffs; and opening up of new markets. It is characterized by the emergence of Transnational Corporations (TNCs) with vast capital bases, and mergers across national boundaries as have been the cases with Daimler (Germany) and Chrysler (USA) in 1998 with an asset base of \$40 billion (The Economist, 1999).

Lenin (1917) had described the phenomenon (globalization) as “the last stage of capitalism”, and, as “the monopoly stage of capitalism”. By the monopoly stage of capitalism, Lenin did not mean literally the domination of each industry by a single firm, but the passage of capitalism from its earlier stage of more or less free competition to one in which giant firms (Transnational corporations), cartels and trusts dominate the market. As Odozi (1998) pointed out the globalization is better understood when one considers the ease with which trade and investment transactions take place coupled with the mobility of capital and technology; and the unfettered movement of people across the globe in recent times.

Several scholars have advanced reasons for this drive for expansion in world trade. Some advance Richardo’s theory of comparative advantage as a reason (The Economist, 1998), while others see the drive for expansion in world trade and investment as being necessitated by the benefits that would accrue to the nations involved. According to Odozi (1998), any nation that embraces the globalization process stands to benefit through advancement in technology; new innovations would emerge in it for faster and improved methods of delivery of goods and services; capital mobility for domestic investment financing; improved productivity and improved standard of living; international division of labour which facilitates comparative advantage and economies of scale; increased consumers choice; greater competition among business units; better quality of products; and cheaper goods and services.

However, some other scholars see the globalization process as being necessitated more by the developed nations’ need to cope with the strains imposed on their economies by periods of unstable economic growth, (Baran, 1962; Frank & Johnson, 1970). Other reasons are to keep up profit in the use of capital (Kemp, 1980); to jump tariff walls, secure vital sources of raw materials and markets; and the pressure of surplus capital at home (Magdoff, 1980). Whatever may be the reasons, it is believed by many that the rational behind it is to make for efficient use of scarce national resources at a global level.

2.2 Ethnicity

An ethnic group is generally conceived as one whose members share a distinctive socio-cultural tradition maintained within the group from generation to generation, whether as a part of a more complex society or in isolation (Maciver & Page, 1969). It is also an in-group maintaining cleavages between the “they” and the “we” in social life; and a non-voluntary interest conscious unity; generally without formal organization, and relatively unlimited in size; within which members are linked by both primary and secondary relationships (Maciver & Page, 1969). As an ethnocentric group with common consciousness, identity and exclusiveness it can alter its form, place and role in society, and links

with other social phenomenon to pose new problem for a society (Nnoli, 1982).

3. NATURE OF EXPRESSION OF ETHNICITY IN THE GLOBALIZATION PROCESS

In matters of trade and investment across national boundaries, ethnic influences cannot be dismissed with the wave of the hand: As Mazrui (1977) noted, behind forces of production and reproduction lie social and political phenomena which range from ethnic consciousness to race prejudice; and from nationalist assertiveness to ancestor worship. These, one way or the other, influence actions and decisions; trade and investment policies and decisions inclusive. In the globalization process therefore, ethnic influence is found in the form of nationalism (ethnic nationalism and economic nationalism) and it is expressed by both the developed and the developing nations.

3.1 Expression of Ethnicity by the Developed Nations in the Globalization Process

For the developed nations, ethnic influences are manifested in the globalization process in the following ways:

(i) Discrimination against immigrants from other regions: Almost all the developed nations have harsh immigration policies and those whose laws are mild are now amending such laws to limit the rate of migration into them (The Economist, 1999). Whereas their economies require the migrant labour for production, they have preference for migrants from specific regions than others. The harsh treatment of African and Asian migrants workers in Germany by neo-nazist; and the classification of female migrant workers from Nigeria as prostitutes by the Italism Government and the classification of Arab migrants in the United States of America as terrorists or Mexican migrants as criminals by the American Government are clear manifestations of racist or ethnic influences in the globalization process. Ethnic sentiments are high against migrants in the whole of Europe and America and Jorg Haider's neo-nazi utterances in Austria (Time, 2000) have been heeded by neo-nazist across Europe against migrants and other races.

(ii) Discrimination in areas of investment: Multinationals from the developed nations are afraid of investing in poor nations; though direct foreign investment (FDI) is a function of the market (Business Week, 1999). The rich developed nations still find it difficult to invest in the poor nations and rank regions in order of preference as hot warm and cold. Whereas foreign direct investment by Europe and American businesses in Asia soared by 39% in 1997, it fell by 4% in the other poor nations of the world (Business Week, 1999). These investment decisions are not solely determined by the above factors but are ethnically and racially determined.

(iii) Trade and investment across national boundaries is not free: The United States of America links trade liberalization with labour standards while the developing nations argue against this. The America's argument is that low wages and labour standards (upheld by US and European multinationals) in Africa, Asia and Latin America create unfair competition for US workers (The Economist, 1999). This is based on ethnic considerations as the US fails to take the cultural practice of the regions into consideration. The US also bans the importation of goods produced elsewhere with prison labour into the US and also legislates against foreign control of air travel in the US (The Economist, 1988). When a US fruit baron wanted to conquer more European market, he got the US government to launch a trade war for him because he was unhappy with the EU import rules as the EU prefers bananas from Africa to those from the US. The banana war was to deny Africa of European markets by Us (The Economist, 1999; Time, 2000). These discriminatory practices are racist in nature. The argument therefore that trade is free through the globalization process is not sustainable.

Plenty barriers exist in the globalization process. Egyptian traders protested in a mosque in Cairo in 2001 over the entry by Americans into retail trade in Cairo; and Indians protested over the entry of American fast food chain (Macdonald) into fast food business in India the same year. This protest by Indians has been repeated for cultural and ethnic reasons. The American McDonald uses beef from Indian cows in its production (BBC World Report News May 6, 2001), but Indian cows are sacred animals.

There are tariffs and import quotas, and discriminatory regulations which are regionally, ethnically and racially motivated. In 1999, the World Trade Organization (WTO) upheld a complaint by India, Pakistan, Malaysia and Thailand over an American ban on the sale in the US of shrimps caught in nets that do not allow sea turtles to escape, as shrimp nets are alleged to be the largest killers of sea turtles. This US ban was ethnically and racially motivated (The economist, 1999).

As the globalization process integrates the world, free trade has become more elusive because trade is not restricted to goods only, but includes services, and instead of cross boarder exchanges, it is now in the form of direct foreign investment (dfi) which is ethnically determined. Regional economic blocs and regional agreements on trade and economic integration have proliferated prompting questions on whether these help or hinder trade and investment across national boarders.

3.2 Expression of Ethnicity by the Developing Nations in the Globalization Process

In the development nations ethnic influences are found in the globalization process and are expressed as ethnic nationalism. It has manifested in the following ways:

a) Ethnic wars as in the case with wars in Africa. Most African wars are fought on ethnic lines and are aimed at resource control; to deny opponents the resources in question; to steal food; loot towns; and the illegal mining of national resources in conjunction with foreign multinationals and mercenaries as have been the cases with Angola, Democratic Republic of Congo, and Sierra Leone. Europe and America are unconcerned about the wars because their nationals are the ultimate benefactors in the African crises (The economist, 1998).

b) Ethnic uprisings and clashes over resource control as in the case of the Delta region of Nigeria between the Ijaws and the Urohobos and the Ishekiris; and that amongst the Ogonis themselves. The Tiv (Benue) uprising over the privatization of the Benue Cement Company (BCC).

c) Damages to investments such as the wanton pipeline vandalization in the Niger Delta of Nigeria, and destruction of some parts of the Benue Cement Company by Tivs protesting over its privatization.

d) Kidnapping of expatriate workers and travelers across the ethnic regions as the case in the Delta regions and Ogoni in Nigeria and the kidnap cases in some Latin America nations.

e) Ethnic protests as have been the cases with the Egyptians and Indians against the Americans in their countries, and so many other similar protests against the operations of the multinationals in the various ethnic regions especially in the Niger Delta over environmental degradation in their region.

f) Calls for the de-privatization of privatized government establishment as have been the case in Russia (Business Week, 1999) and the case of Nigeria (Newswatch, 2000) over the Benue Cement Company.

4. REASONS FOR EXPRESSION OF ETHNIC SENTIMENTS IN GLOBALIZATION PROCESS BY DEVELOPED AND DEVELOPING NATIONS

Several reasons can be adduced for the expression of ethnic sentiments in matters of trade and investments across national boundaries by both the developed and the developing nations. Some of the reasons are:

- The desire by the nationals of an ethnic region or country to control the resources available in their ethnic regions thereby denying others of the benefits that accrue due to the control of such resources. This phenomenon has been referred to as “resource control” in Nigeria, and has been a source of national strife in the country.
- The desire to dominate other ethnic regions in a multi-ethnic setting, economically and politically; and the fear of being dominated by other ethnic groups in and outside the country, in the economic and political processes of the country.

- Discriminatory wage standards employed by transnational corporations for different geographical regions around the world.

- Capital flight and profit repatriation by multi-national corporations operating within an ethnic region instead of re-investing such profits in part or in whole in their regions of operation.

- Unequal bases of competition between local and foreign firms in the same industry.

- The fear of loss of national sovereignty and national security by an ethnic region or a country through trade and investments transactions with other ethnic regions.

- The economic effects of the conditionalities for such trades and investments, especially for direct foreign investments on the nationals of an ethnic region.

- Restrictions on the free movement of people from the developing to the developed nations, and the inhumane treatment of migrants abroad.

- Environmental degradation of some ethnic regions by multi-nationals from the ethnic regions that champion the globalization crusade.

- Shelving of their social responsibilities to their regions of operation by foreign multi-national corporations which have often resulted to lack of ethical and moral standards and uniform rules of operations globally.

5. WHAT IS TO BE DONE?

Evidence exist to show that investors want stable economies and repressive governments to eliminate the ethnic influences in the globalization process especially in the developing nations where such influences seem to be more pronounced. Western media highlight these influences in the third world nations than in the developed nations because their national interests are at jeopardy in the developing nations. A good example is the western media propaganda against Zimbabwe, Iran, Iraq, Venezuela, and Colombia. However, to eliminate these ethnic sentiments inherent in the globalization process, the following should be done:

- Direct foreign investments (dfi) in the developing nations should be in areas that would benefit the people of the regions and not just the investors. Every investor wants to invest in the power and energy production sectors, mineral exploitation, telecommunication, and petroleum. No one wants to invest in the health sector, education and road transportation. These are areas where the people would benefit most. Investment in these areas would help create cordial relationship between the foreign investors and their host communities thereby removing the ethnic sentiments generated by frustration of the people’s rising expectations due to the operations of the foreign business units.

- Most of the foreign investments should be in the forms of joint ventures between the multinationals, the governments, the local communities, and individuals

from the local communities rather than with individuals from other ethnic regions. This will help to create the achievement motivation needed to develop an entrepreneurial class in the ethnic regions or the countries where the multinationals operate, or wish to operate, and not just the political and economic elites of the nation from other ethnic groups. This has been the cause of the present crises over resource control being expressed by some ethnic groups in Nigeria today. It is painful to see other nationals and their foreign counterparts exploit and cart away resources from other ethnic regions over centuries, without the local peoples benefiting from such resource exploitation.

- The business units or multinationals championing the globalization process should assume certain social responsibilities such as provision of education, health, water and other social infrastructure in their areas of operation; as well as giving gainful employment to qualified indigenes of their areas of operation.

- The multinationals should be made to spend (donate to the government) certain percentages of their profits for the provision of social infrastructure and other services especially in the funding of education and health in their nations of operation.

- The poverty alleviation scheme of the governments in the developing nations must be re-focused from the provision of commercial motorcycles to provision of basic education—compulsory and free education at all levels. A nation with about 80% literacy rate is developed. The present poverty alleviation scheme is a political ploy to contain the activities of party thugs and restive youths, and to retain their obedience and services in the poor nations. No educated man would want to risk his life rigging elections or fighting opponents from other ethnic groups. Education is very important and is the only tool for political and economic empowerment. It is the uneducated, unemployed youths that are used in ethnic conflicts and protests by the few educated elites.

- The governments in the developing nations should be more transparent, responsible, and responsive to the basic needs of the people—food, water, shelter—food, water, shelter and education and use the available national resources for the benefit of all their citizens instead of being sectional. It is the inability of the governments to be responsible and responsive to the needs and desires of their people that give rise to the emergence of ethnic champions crying against the marginalisation of their ethnic groups. These ethnic elites use their positions to incite the youths in their ethnic regions to rebel against established order, vandalize and destroy investment projects in their regions, kidnap and demand for ransome before the release of their captives and where possible enter into alliance with foreign nations for armed confrontation against their governments with sole aim of controlling the resources within their ethnic regions since they may not be able to control the governments of their nations and alter the resource allocation formulae.

- The developed nations should stop imposing harsh conditions on the developing nations as prerequisite for them to benefit from the globalization process. Take for instance the issue of deregulation of national economies, devaluation of national currencies, and enthronement of democracy and civil society as prerequisites for the poor nations to benefit from the globalization process. These conditions have stultifying effects on the local people and look imperialistic. No developing nation is known to have privatized any of its government owned corporation without a drastic drop in the share value of such enterprises as in the case of Indonesia, Italy and Russia (The Economist, 1995). It is the aim of governments world-wide to provide their people or their citizens with their basic needs irrespective of the kind of government. This is the aim of the democratization process world-wide. But the democratization process has failed to usher in good government in many places (Business Week, 1999). And the Western nations and America expect that their societies must be models to be emulated in the democratization process whether the supportive spirit and temper, structures and processes exist or not.

- For the fact that the multinationals do not apply consistent morals and political standards will always expose them to ethnically generated protests. Shell for instance spoils the environment, and props up the military junta in Nigeria against the people where it operates. Why shouldn't the natives destroy the investment in the region, kidnap and kill the oil workers when they have nothing to gain from the mineral exploits in their locality?

- Finally, there is the need for the multinationals involved in the globalization process to observe international laws, comply with international sanctions, observe international environmental standards, avoid outright oppression of the local peoples, be politically neutral and make business decisions on business criteria alone.

SUMMARY AND CONCLUSION

This paper has examined the globalization process and noted that it was necessitated by strains imposed by periods of unstable economic growth in the economies of the western nations, the desire of the western nations to jump tariff walls; the need to secure vital sources of raw materials and markets by the industrialized nations; and more importantly, the pressure of surplus capital in the developed nations.

The globalization process as it is today is imposed on the developing nations as the conditions for its success are lacking in the developing nations, and its benefits appear elusive to the developing nations. The tenets of the globalization which are the free movement of resources and personnel globally are not respected and adhered to by the developed and the developing nations. The developing nations find the process exploitative and imperialistic;

and aspire to protect themselves—their economies, sovereignty and environment by being nationalistic. This nationalism however finds expression as ethnic chauvinism which disrupts, challenges, and hinders the globalization process.

This paper also finds out that the expression of ethnic sentiments on matters of trade and investment globally will continue for a very long time especially in the developing nations and in the developed nations due to socio-cultural differences between the nations; differences in historical and political development; and differences in the levels of economic and technological development of the nations.

This paper therefore recommends that direct foreign investments by the developed nations should be in areas that would benefit the local peoples where the investments are located. The ownership and control of such investments should jointly be done by the foreign investors, the local communities and the governments. The multi-national corporations championing the Globalization process should assume more social responsibilities in their areas of operation, and, respect the culture and religion of the local peoples. There is also the need for the multi-nationals and other actors in the Globalization process to observe international laws, observe international sanctions, comply with international environmental standards, avoid outright oppression of aggrieved local peoples through the propping up of national armies that fight and kill the local peoples. They should be politically neutral and make business decisions on business criteria only.

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