THE IMPACT OF GLOBALIZATION ON ECONOMIC GROWTH IN NIGERIA

(1986-2019)

BY

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CERTIFICATION

This is to certify that this work was carried out my FADIPE TEMITOPE with the matric number 15020301013 at the department of Economics, Mountain Top University, Ogun State, Nigeria. Under my supervision.

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DEDICATION

This project is dedicated to God Almighty who made it possible for me to complete my programme in this school and also saw me throughout my days in school, may his name be glorified.

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I appreciate Almighty God for all he has done for me, because without him, nothing is possible.

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TABLE OF CONTENT

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Globalization is a dynamic and multi-faceted process that has undeniably contributed to the economic performance of many developing countries, with evidence from the Asain-Tiger economies. The benefits of globalization include skilled labour force, economic growth and others but to mention a few. Nonetheless, global capital such as multinational cooperation continues to look for cheap labour to sell in order to maximize income as well as at the expense of the host country.

"The history of globalization goes back to the second half of the twentieth century, the development of transport and communication technology led to situation where national borders appeared to be too limiting for economic activity" (Economic Globalization in Developing Countries, 2002). For thousands of years there has been interaction between people in different parts of the world. A very good example of this relationship is a Silk Road connecting Asia, Africa, and Europe. As nations exchanged products and ideas, philosophy, religion, language, the arts, and other aspects of culture spread and mixed. Organizations like the European Union and other free-trade mechanisms promoted by the US were accountable for most of the rise in foreign trade in the postwar years following World War II. The cyber world is the frontier of globalization. In its infancy during the third wave of globalization, the global economy is becoming a force to be reckoned with via e-commerce, digital services, 3D printing. Artificial intelligence further facilitates it, but it is challenged by cross-border hacking and cyber-attacks. At the same moment, through the worldwide effect of climate change, a detrimental globalization is growing again. Pollution is triggering extreme weather events in one part of the world on another. So, clearing

trees in the few “green lungs” left by the planet, like the Amazon rainforest, has another devastating effect not only on the ecology of the earth, but also on the ability to cope with harmful greenhouse gas emissions. Globalization drives countries to greater access to international trade, capital transfers and foreign direct investment.

Globalization as a whole covers the areas of economic, social and political globalization all these areas can have a positive or negative impact on a nation. However, Globalization is much more than openness to trade and capital flows. It also includes citizens of various countries communicating with each other and the exchange of ideas and information, or the coming together of governments to tackle political problems of global reach.

In Nigeria, globalization is dated back to the introduction of Structural Adjustment Programme (SAP) in 1986, during Ibrahim Babangida regime. Globalization is synonymous to trade liberalization where there is openness of the economy, Foreign Direct Investment (FDI) or Foreign Private Investment (FPI), which is an investment that a foreign investor has in developing countries where resources are available, where the parent (or headquarters) is based in developed countries.

Today we have two major viewpoints on globalization offered by anti-globalists and globalization proponents or literally globalizers.

The anti-globalists see globalization as an evil and unlawful marriage between the developed and developing countries. Not everybody agrees however that globalization is evil. Globalization is the only real way to tackle inequality according to globalists, we say that foreign direct investment would help developing countries industrialize, create jobs and gain production skills. As we believe that globalization brings economic development, it is important to explain what economic development implies. With other words such as production, modernization, westernization and

industrialization, used in economic development. In other words, it is a transition from a simple, low-income economy to a high-income, modern one. The focus encompasses the mechanism and policies by which a country develops the people's economic, political, and social well-being. Although it is also calculated by the rate of gross domestic product improvement, it is generally understood in terms of per capita income increase and living standards equal to those of industrialized countries.

However, Adesoye, Ajike and Maku (2015) have argued forcefully that many highly globalized developing countries have not been able to profit from globalization and are still facing the same problems they have been facing for many decades. The Nigerian economy has not felt the impact of globalization. This is because Nigeria actually exports crude oil and imports refined products because of the failure of local refineries to satisfy domestic demand given the huge amount of money expended on the four local refineries ' Turn Around maintenance (TAM). The exports from Nigeria thus have very high import content. This has made the Nigeria economy to be industrially underdeveloped. Many developing countries, including Nigeria, have criticized the Western world's tough trade policies for failing to achieve the perceived benefit of globalization. Poor economic policies and misconduct by both the public and private sectors have made the situation worse. Nigeria has been facing poor economic-development results for decades. Consequently, there is no change in poverty reduction. In the era of globalization several developed nations conclude that market transparency is the only way to solve the underdeveloped issue.

However, this study adopts the updated version of the KOF Globalization Index, which distinguishes between de facto and de jure globalization. De facto globalization measures real international flows and activities, de jure globalization measures policies and conditions that, in

theory, promote, facilitate and encourage flows and activities. Quinn et al. (2011). Both de facto and de jure globalization stimulate economic growth in a number of ways. This research will therefore use the de facto KOF globalization index.

Globalization has helped improve developing countries rates of illiteracy living standards and life expectancy. According to the World Bank (2004).

Based on the inconclusiveness on the impact of globalization on economic growth, to what extent as globalization impacted Nigeria?

1.2 Statement of The Problem

Globalization essentially, is a marriage among unequal partners (Ishmael Ogboru). This implies a partnership between developed and developing countries, in which the former is a better participant, at the cost of the latter being poorer.

The Nigerian economy has problems in its various sectors based on the impact of globalization. The challenges could be economic problems centered on volatility levels, regulatory obstacles to capital flows, inadequate economic policies and political instability. Yet most developing countries are still far from reaping globalization benefit. Therefore, this research work will focus on the above problems.

1.3 Objectives of the study

The board objective of this study is to examine the impact of globalization on economic growth in Nigeria. In specific the study aims to show

- Impact of economic globalization on economic growth in Nigeria
- Impact of political globalization on economic growth in Nigeria
- Impact of social globalization on economic growth in Nigeria

- The causal relationship among economic, political and social globalization in Nigeria

1.4 Research Questions

To achieve the objectives of the study the following questions seek to provide answers to the statement of the problem

- What is the impact of economic globalization on economic growth in Nigeria?
- How does political globalization affect economic growth in Nigeria?
- How can social globalization affect economic growth in Nigeria?
- What is the causal relationship between economic, political and social globalization on economic growth in Nigeria?

1.5 Research Hypotheses

The following hypothesis are tested

Hypothesis One

H_0: Economic globalization does not have any impact on economic growth in Nigeria

H_1: Economic globalization has an impact on economic growth in Nigeria

Hypothesis Two

H_0: Political globalization does not affect economic growth in Nigeria

H_1: Political globalization does affect economic growth in Nigeria

Hypothesis Three

H_0: Social globalization does not affect economic growth in Nigeria

H_1: Social globalization does affect economic growth in Nigeria

Hypothesis Four:

Ho: No causal relationship among economic, political and social globalization in Nigeria

H_1: There is causal relationship among economic, political and social globalization in Nigeria

1.6 Significance of the Study

There is no need to overemphasize the strategic importance of researching the effect of globalization on Nigeria's economic growth. Globalization has brought about the rapid change in the Nigerian economy which seeks to increase its share of direct financial and foreign investment in the international market. There is no question that globalization has expanded incentives through access to capital flows from both domestic and foreign markets. However, consumers can now adapt their portfolio risk to their needs.

The study is of paramount importance to: Academic institutions, all economic urban- households, business and government. In addition, the outline of the study shall be useful for present and future policies in the country.

1.7 Scope and Limitation of the Study

The scope of the study covers the impact of globalization on economic growth in Nigeria between 1986 and 2019. The reason for this time-frame choice is because the Structural Adjustment Program (SAP) was instituted in 1986 at this time and this led to improvement and growth in several economic sectors.The data employed in this study is secondary data. In the course of writing this research report, a number of factors acted as constraints such as financial resources, time frame and so on. In spite of all, the researcher never allowed them to deter her from carrying out the research to justifiable conclusion.

1.8 Brief Literature Review Outline

- Conceptual Review
- Theoretical Review
- Empirical Review

1.9 Research Methodology

The data use in this study are:

- Graph which captures the trends of globalization in Nigeria over the years.
- Time series econometrics using Error correction model

1.10 Definition of Terms

Foreign Direct Investment: Foreign direct investment (FDI) is an expenditure from a group in one nation into a company or organization.

Globalization: Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology (Suny Levin Institute, 2017).

Economic growth: Is an increase in the capacity of the economy to produce goods and services from one period to another. Traditionally, aggregate economic growth is expressed in terms of the gross national product (GNP) or the gross domestic product (GDP), while different metrics are sometimes used. (Nobel Prize winner Paul Romer, from the Concise Encyclopedia of Economics.)

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter describes the concepts and terminologies relevant to globalization and economic growth in Nigeria and also discusses relevant literature under the following subheadings- conceptual analysis, theoretical review, and empirical literature.

2.2 CONCEPTUAL REVIEW

2.2.1 CONCEPTS OF GLOBALIZATION

The term globalization has various definitions depending on how it is perceived by the author.

Giddens (1990) defines globalization as the 'intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring miles away and vice versa'.

Oguyomi, Jenrola, and Daisi (2013) defines globalization has a multidimensional phenomenon which covers all aspect of life including increasing interdependencies among economies through international trade, international migration, and foreign direct Investment and other capital flows.

Source: Cunety Kilic

The various dimensions of globalization index propended by Dreher (2006) and Dreher (2008) are

- Economic globalization Index: This index contains two sub-indexes which are real flows and restrictions. Real flows are estimated on the basis of trade openness, i.e. exports plus imports over GDP, and capital flow, i.e. FDI, FPI. Restrictions are measured with secret import barriers; average tariff rate, current income percentages of taxes on foreign trade and capital account restrictions. The immensity of both current and restricted flows in the economic globalization index is 50%
- Social Globalization Index: This index contains three sub-indexes, personal interaction, knowledge flows and cultural proximity. Personal interaction is measured on the basis of telephone traffic, GDP percentage of transfers, international tourism, the total population of the foreign population and international letters per capita. Knowledge flows are measured using the Internet for 1,000 people, television for 1,000 people, and GDP for newspaper trades. Cultural proximity is determined by the number of McDonald's restaurants per capita, the number of Ikea restaurants per capita and the percentage of GDP book trades. Percentages of personal interaction, knowledge flows and cultural proximity are 33%, 35% and 32%
- Political Globalization Index: This index is calculated with four sub-indexes, including the number of embassies in the region, membership in international organizations, involvement in the UN Security Council mission and international treaties.

The latest update by Dreher (2008) shows that, according to the order of the economic, social and political globalizations in the general globalization index of 2014, the percentage of globalizations is 36, 38 and 26 per cent. (Cunety Kilic called in KOF Index of Globalization, 2014).

Economic globalization concerns the international movement of goods and services, technology and information that will enhance the economic interdependence of nations and independent states.

Political globalization is the involvement of government and international NGOs in political issues that are likely to affect the global economy. The establishment of the United Nations can illustrate a common example of political globalization.

Globalization's cultural dimension is related to the transmission of social ideas and values across various nations of the world. The perception is related to the practice of internet-disseminated cultures and international exploration which will foster other aspects of integration.

Yashin, (2000 in Igudia, 2003) defines globalization as an economic revolution of the new millennium in which the word is shrinking into a global village in part by advances in information and technology (ICT). To him, capital globalization has been responsible to merging regional development and finance structures whose increased versatility means that lenders such as governments and privates companies negotiate with each other on the foreign rather than national market for money.

Todaro and Smith (2011), views globalization as a process by which the economies of the world become more integrated, leading to global economy and increasingly, global economic policymaking.

2.2.2 CONCEPTS OF ECONOMIC GROWTH

Economic growth is attributed to a quantitatively sustainable rise in per capita production or profits in the countries followed by expansion of their labor force, demand, resources, and trade value. It often involves not only more output from higher inputs, but also higher performance, i.e. an improvement in production per input unit.

Todaro, Smith (2004), defines economic growth in terms of three components. These are: (a) capital accumulation, including all new investments in land, physical equipment, and human resources through improvements in health, education and job skills. (b) Growth in population and hence eventual growth in the labour force. (c) Technological progress.

According to Professor Kuznets, Economic growth is fundamentally a quantitative term, and if substantial progress is to be made in the empiric and theoretical study of the growth process, the quantitative dimension must be taken as a basic consideration. Economic growth can also be characterized as an outward shift in the Product Possibility Curve (PPC). This is determined by the increase in gross production and the real Gross Domestic Product (GDP) or Gross National Product (GNP) of a country. GDP can be determined by the amount of what is generated or bought in the economy.

2.2.2.1 FACTORS AFFECTING ECONOMIC GROWTH

- Natural resources: The discovery of more natural resources such as oil or mineral deposits can boost economic growth as this shift or increases the country's production potential curve. Certain resources include land, water, forest and natural gas. In fact, it is difficult, if not impossible, to increase the number of natural resources in a country. Countries must take care to manage supply and demand for limited natural resources so as not to deplete

them. Improved land management will increase the quality of land and lead to economic growth.

- Physical capital or infrastructure: Increased investment in physical capital, such as warehouses, equipment and bridges, would reduce the cost of economic operation. Better factories and machines are more productive than manual labor. This higher productivity is expected to increase production. For example, providing a reliable highway network will eliminate inefficiencies in transporting raw materials or goods around the nation, which would increase GDP.
- Population or labor: Increasing population means an increase in the number of jobs or staff, which means a higher workforce. The downside to a growing population is that it could lead to high unemployment.
- Human capital: Increasing investment in human capital will boost the productivity of the workforce. This rise in productivity would lead to a change in expertise, skills and preparation. Skilled labor has a major impact on production, as skilled workers are more efficient.
- Technology: Another important aspect is the advancement of technology. Technology may increase productivity at the same level of labor and thereby stimulate growth and development. This rise ensures that factories will be more productive at reduced prices. Technology is more likely to contribute to sustainable long-term development.
- Law: An administrative structure that governs economic activity, such as laws and regulations. There is no particular group of institutions that support development.

2.2.2.2 FACTORS LIMITING ECONOMIC GROWTH

- Poor health and low level of education: People who do not have access to healthcare or schooling have poorer productivity rates. This lack of exposure ensures that the workplace is not as efficient as it should have been. As a consequence, the economy does not achieve the efficiency it might otherwise have gained.
- Lack of necessary infrastructure: Developing nations still suffers from poor infrastructures such as bridges, schools, and hospitals. This lack of infrastructure makes transportation more costly and slows the overall productivity of the economy.
- Capital flight: When the country fails to produce the anticipated returns from investors, the investors will withdraw their capital. Capital also moves out of the country to reach higher rates of return.
- Political instability: Similarly, political uncertainty in the country frightens investors and hinders investment. Zimbabwe, for example, has long been afflicted by political instability and legislation protecting indigenous land rights. This instability has scared many investors who seek smaller but more stable returns elsewhere.
- Institutional framework: Local regulations also do not safeguard rights properly. The lack of an institutional structure may have a significant effect on development and investment.
- The world trade Organization: Some analysts argue that the World Trade Organization (WTO) and other trade mechanisms are biased towards developing countries. Most developed nations have embraced protectionist policies that do not aim to liberalize trade.

2.2.2.4 COSTS OF ECONOMIC GROWTH

- Environmental cost: Pollution and other negative externalities are often associated with increased production or increased economic growth. Economists usually associate rapid growth in developing economies with detrimental environmental effects.
- Rising income inequality: Growth also leads to a rise in income inequality. Others not active or connected to the growth-generating sector of the economy are left behind. The rural population typically loses the most.

2.3 THEORETICAL REVIEW

2.3.1 Theories on globalization

These includes liberalism, political realism, Marxism, constructivism.

1. Marxism

2. Liberalism

3. Political idealism

4. Constructivism

1 **MARXISM:** Along with Karl Marx, who projected the value and promise of globalism in terms of moving resources across regional borders that would conquer the world for its growth, Marxism's philosophy identifies itself with the modes of development, the transition of civilization into the ascendancy of capitalism. The Marxist did not embrace the other two most predominant philosophies of globalization which, because of the exploitive nature of political realism, contain liberalist and political realist concepts, while the modern ideology emphasizes freedom and authority which still contributes to the bourgeois oppression of the working class. The Marxists

believed that globalization is the result of trans-world interaction which increases incentives for profit making and surplus growth.

2. **Theory of constructivism**: The development of the social universe of specific ideas, ideas, and knowledge that originate from individual forms of consciousness. The mode of production and style of society administration are second-order structures that emerge from deeper socio-psychological and cultural influences. Constructivists concentrate on how social agents construct their environment through contextual interaction and mind development. The development of ideas of the world has been motivated by abstract experiences and communication, whereas these principles are further defined by the rules of social interaction. Religious, class and national identities respond to material circumstances, but they also function in terms of inter-subjective building and shared self-understanding. However, the claim ignores the socioeconomic differences and the nature of social relations.

3. **Theory of Political Realism**: Approach to political realism purports that states are essentially self-sustaining and self-serving, and the subsequent heading to competition for power. To certain scholars, the conventional condition is characterized by the balance of power in which the desire to control the planet can be overcome by the determined resistance of other nations. In contemporary international relations, the ideologist has described globalization along the lines of practice followed by the fight for power between many major states. Control theories ignore the importance and role of other actors in driving globalization. Such other actors are sub-state, macro-regional, international and private sector companies.

4. **Theory of Liberalism:** Liberalism views the globalization process as a market-led continuation of modernization. In the most fundamental point, it is the product of human' natural' aspirations

for economic well-being and political equality. As such, transplanetary contact is born from human drives to optimize material well-being and to exercise fundamental freedoms.

They are fruitful in the form of:

- Technological developments, in particular in the fields of travel, communications and information management, and
- Suitable legal and institutional structures to enable markets and liberal democracy to expand around the globe.

Yet its proponents ignore the social factors behind the development of technological and structural underpinnings. This is not sufficient to attribute these changes to' ordinary' human forces for economic growth and political independence.

2.3.2 ECONOMIC GROWTH THEORIES

- **CLASSICAL THEORY**: This was propounded by Adam Smith, David Ricardo and Robert Malthus in the eighteenth and nineteenth centuries. The idea is that any economy has a steady state of GDP, and any divergence from that steady state is transient and must gradually revert to its steady state. This model presumed that technical progress was continuous and that increasing inputs could contribute to lower returns. It added to the grim projections of Malthus that the population would rise faster than the world's capacity to feed itself. As a result, the rise in population has a negative impact on GDP due to increased competition for scarce services from a wider population. GDP would finally slip back to a stable state. As GDP deviates from the steady state, the population declines and thus the need for services declines. In turn, the GDP will rise back to its steady state.

- **NEO CLASSICAL THEORY**: This has been proposed by T.W. Swan and Robert Solow have made significant contributions to the theory of economic growth through the development of what is known as the Solow-Swan growth model. The theory focuses on three aspects that have an effect on economic growth, namely labour, capital and technical innovation. This analysis indicates that a rise in capital or labor contributes to a reduction in returns. As a result, growing capital has only a transient and minimal effect on rising economic development. While capital rises, the economy continues a constant rate of economic growth, further growth does not take place until technical advancements are made and such advancements are achieved by chance. This also implies that once all countries have access to the same infrastructure, the standard of life would also be equal.

- **ENDOGENOUS THEORY**: This has been created by Paul Romer and Robert Lucas. Emphasis was focused on human resources, i.e. on how workers with higher education, soft skills, experience, and training may help increase the pace of technical innovation, improve both resources and labor productivity, and also on the premise that raising labor productivity may not decrease returns, but can raise returns. They argue that rising capital does not automatically contribute to declining returns, as Solow expects. They say it's more complicated; it depends on the amount of investment in capital. Increasing the value of spillover gains from a knowledge-based economy Focus is imposed on open trade, the elimination in taxation and subsidies. The point is that we must keep markets open to the forces of transition.

2.4 EMPIRICAL LITERATURE

Dreher (2006) studied the relationship between globalization and economic development using panel data analysis using evidence from 123 countries from 1970 to 2000. He finds that globalization has a positive impact on economic development.

Chang and Lee (2010) analyzed the connection between general globalization index and its components, which are economic, social and political globalization indexes, and the economic growth of 23 OECD countries, whose data is collected between years 1970 and 2006, with the help of cointegration analysis. Their result shows that there is a weak connection between variants and causality in short terms but in long terms there is a one-way connection from general, economic and social globalization to economic growth.

The research by Alimi and Atanda (2011) focused on globalization, the market cycle and economic growth in Nigeria. The research covered the period 1970 to 2010. Using an auto-regressive paradigm, the analysis found that globalization has a strong and important effect on economic development in Nigeria.

Rasaki, Hakeem and Emmanuel (2013) have studied the connection between globalization and economic growth in Nigeria. Descriptive statistics and OLS were introduced in the study. The result shows that the separation had a significant and positive effect on FDI, whilst the exchange rate had a significant and negative impact on FDI.

Umaru (2013) analyzed globalization's effects on Nigeria's economic performance between the years 1962 and 2009 by using the Annual Average Growth Rate (AAGR) technique. Umaru (2013) found out that globalization effects petrol, manufacturing industry and solid mineral sectors in negative ways, but it effects the agriculture, transportation and communication sectors in positive ways.

Ying (2014) studied the connection between social and political globalization and economic growth in ASEAN countries between 1970 and 2008 using the Fully Modified Ordinary Least Squares (FMOLS) methodology. Ying (2014) found that economic globalization had a positive effect on economic development, but that social and political globalization had a negative influence on economic growth.

Nwakama and Ibe (2014) have researched globalization and economic growth in Nigeria. The research covered the period 1981-2012. The co-integration method has been introduced. The findings revealed a positive and negligible relationship between financial integration, human resource growth and trade openness, while Gross fixed capital investment had a negative and negligible effect on market openness.

An analysis made by Kilic (2015) which includes 74 developing countries, Kilic discovers that economic growth positively affects economic and political globalization whereas social globalization affects it negatively. He also revealed two types of causality relationships: (1) one-way causality relationship between economic growth and globalization and (2) two-way causality relationship between political and social globalization and economic growth.

Konyeaso (2016) suggested that the aim of his research was to analyze the effect of globalization on the Nigerian economy by using a quantitative approach for evaluating time series data covering the period 1986 to 2013. The analysis defined a multiple regression model to explain the dependency of economic growth on globalization and to include the variables used for proxy globalization; Import value, export value and exchange rate with interest rate and inflation have been introduced as explanatory variables. The traditional ordinary least square was used, and the results of the study showed that inflation had a negative impact on globalization, whereas foreign direct investment would increase the gross domestic product.

Agbarha and Peter (2017) described an analytical evaluation of the relationship between major globalization indices and economic development in Nigeria, and the research covered the period between 1980 and 2015. The analytical approach used was the Johansen co-integration and Error correcting mechanism, while the factors evaluated included the balance of payments, International direct investment, openness of Nigeria's economy and gross domestic product. The findings of the study showed that all factors had a favorable and important effect on Nigeria's gross domestic product. The research also showed that the rise in the exchange rate, the transparency of the market, the balance of payments by globalization had a positive effect on the overall level of economic development.

2.5 OVERVIEW OF GLOBALIZATION AND ECONOMI GROWTH ON NIGERIA

Nigeria has not been spared the impact of globalization. While the negative effects have not been confirmed, the fact remains that Nigeria has been increasingly more incorporated into the world economic system. (Ogunyomi O.O, Jenrola O.A. and Daisi O.R 2013). In this regard, Nigeria's position on the globalization agenda deserves some in-depth research. Nigeria is economically weak, initially, due to the lack of domestic economic potential and social infrastructure required to improve production, development and competitiveness. Second, the economy is undermined by monoculture dependency and adverse terms of exchange in its export markets, as well as by the unsustainable cost of debt and debt servicing. And thirdly, by 1986, economic systems had been controlled and the country had adopted expansionary fiscal and monetary policies in its growth efforts. Around 1981 and 1985, Nigeria's economy suffered a severe downturn caused by the deficit in the world oil market, And, with the fall in foreign exchange earnings, the import of raw materials and other inputs to the industrial sector had to be

limited. The balance of payments and the foreign reserves of the country have come under tremendous scrutiny. As a result, investment options became blurred, weakening the confidence of international investors in particular. Despite the wave of globalization, Nigeria has been liberalizing its exposure to a sharp fall in Nigeria's oil export earnings, (Ejiawoko, 1990).

Yet the primary priority of government policies was on the goal of economic stability. Nigeria has also implemented different growth approaches over time. Throughout this time, macro-economic policies, in particular trade policies, were structured to make the nation inward-looking. Many domestic strategies have also been structured to align themselves with, and thus promote, this industrialization policy. The advent of macroeconomic disruptions in the mid-1980s led to a reconsideration of the efficacy of import-substitution industrialization as a mechanism to foster growth and development in Nigeria.

This was against the backdrop of the aforementioned that the Structural Adjustment Program (SAP) was implemented in Nigeria in 1986. The SAP policy package specifically acknowledged the outward-looking approach as a more successful strategy to improve Nigeria's development. Therefore, the SAP reform plan comprises trade liberalization, market-oriented exchange rate system, privatization and commercialisation. Emphasis was imposed on the diversification of the economic and export base of the economy from oil to non-oil goods. Various opportunities were also given to promote non-oil export production, in particular infrastructure activities. Some agencies have been set up to encourage exports and investment. It should be remembered that the macro-economic goal of the SAP in Nigeria has not been accomplished. Thus, both the domestic and export base of the economy have not been diversified, as oil remains the driver of production, while the composition of output remains dominated by primary products.

Despite the devaluation of the domestic currency, the international situation persisted in disarray. SAP appears to have stepped up investment and trading practices rather than development. The growth of commercial banks, the lowering of interest rates, the restructuring of the economy and the latest industrial policies have not contributed to the need for foreign direct investment.

As a monoculture exporter, over 80 per cent of Nigeria's exports are crude oil. Yet volatility in the world oil market also negatively affects oil exports, contributing to a decrease in foreign exchange earnings.

Yet foreign borrowing exposes Nigeria to debt, which hit $29.8 billion in 2002. Compensation of this debt has squandered the national treasury by $1.2 billion out of 10.7 billion dollars in foreign exchange received that year. (Central Bank of Nigeria, 2002). The ratio of debt to gross domestic product (GDP) and export earnings is much more troubling. The total debt balance in 1985 amounted to 710 billion naira, equivalent to 1% and 6% of GDP and export earnings respectively. In 2001, the country's external debt rose to 3.2 trillion naira, 56% of GDP and 633 per cent of export earnings. (Jelilov, 2015).

FDI inflows to Nigeria accumulated to $588 million in 1990. This amounted to $1,079 million in 1995, which declined to $930 million in 2000. (UNCTAD, 2002b). Worldwide FDI in 2001 amounted to 823.8 billion dollars, while Nigeria obtained just 1.1 billion dollars, or 0.13 per cent. Although the global FDI declined to $651.2 billion in 2002, Nigeria raised its share to 0.19 per cent of those investment by raising $1.3 billion of FDI that year. (UNCTAD, 2003b).

The degree and nature of FDI has changed considerably over time, and this has an effect on how FDI affects economic development, and countries with increased FDI inflows have a great

opportunity to further gain development. Before 1980, the number for FDI was negative and it stayed close to zero until 1987. Nigeria's first maximum was achieved in 1989 and since then there has been no negative trend, but near to zero inflows have been reported as in 1988, 2014, 2015 and 2017. The downturn in 2017 was the result of the recession that happened in 2016. Economic growth has also been found to be poor this year as gross production has declined. FDI was at its peak in 1994, and has not been able to hit the level since then. The graph below shows the graphical pattern in FDI inflows through 1980. It is quite clear that the inward FDI, measured as a percentage of GDP, has fluctuated over the 20th century. Once again, FDI is projected to play a major role in economic development. Over the years, there has been a concentration of FDI inflows and outflows across continents, but the number of top recipients has changed. Earlier in 1913, the amount of FDI to emerging countries amounts to two-thirds of the world's FDI, which has now taken a different turn, and most FDI flows to advanced countries, and just one quarter to developing countries.

Figure 1: FDI inflow

Table 1: Trend of FDI Inflows (1980-2018)

Nigeria's economic growth was high as it was in 1980, but plummeted to a low level. The downward pattern continued until 1996, when the first positive result had been reached since the crash. The pattern has stayed optimistic until the year 2002. Before and after that, the rate in economic growth fluctuated. Nonetheless, there was no negative statistic until 2016 due to the recession that year.

Figure 2: Economic Growth

Table 2: Trend for Economic Growth (1980-2018)

The table below displays the quantitative study of FDI patterns and economic growth from 1980 to 2018. The estimates in the tables and the graphic depiction of FDI and economic development. As noted in these analyses, it is apparent that there is an erratic pattern in these variables in Nigeria. The highest FDI record in Nigeria was in 1994 and that of economic growth was in 2002. Since then, the nation has not maintained a better record of FDI inflows or economic growth.

Table 1: Trend of FDI and Economic Growth (1980-2017)

YEAR	FDI	ECO. GROWTH
1980	-1.15086	4.204831
1981	0.329732	-13.1279
1982	0.301613	-6.80339
1983	0.375338	-10.9241
1984	0.257422	-1.11562
1985	0.658453	5.913027
1986	0.352544	0.060945
1987	1.15907	3.200125
1988	0.762696	7.334025

1989	4.282088	1.919381
1990	1.087951	11.77689
1991	1.450318	0.358353
1992	1.876018	4.631193
1993	4.84779	-2.03512
1994	5.790847	-1.81492
1995	2.449413	-0.07266
1996	3.119792	4.195924
1997	2.826858	2.937099
1998	1.925363	2.581254
1999	1.692559	0.584127
2000	1.641739	5.015935
2001	1.608284	5.917685
2002	1.964727	15.32916
2003	1.911463	7.347195
2004	1.374086	9.250558
2005	2.82883	6.438517
2006	2.056024	6.059428
2007	2.189934	6.59113
2008	2.431643	6.764473
2009	2.930908	8.036925
2010	1.658475	8.005656
2011	2.154611	5.307924

2012	1.53903	4.230061		
2013	1.08024	6.671335		
2014	0.818201	6.309719		
2015	0.634336	2.652693		
2016	1.098507	-1.61687		
2017	0.930745	0.805887		

It is apparent from the above that the Nigerian economy was incorporated into the global market before independence. Unfortunately, though, the advantages of globalization do not stem from the Nigerian economy as indicated by its supporters. (Dr. Ime Okon Utuk 2015)

At present, Nigeria's role in the global economy is to export raw materials, in particular crude oil, and to import finished products from the West. Nigeria does not have the technology and capital needed to produce manufactured goods that could be exported abroad. It is only oil trading that advantages Nigeria, where more industrialized countries have earned more benefits as their economies will cripple without crude.

The unsustainable debt that weighs down the country economically also needs to be resolved more urgently and more thoroughly by developing nations, while increased development cooperation with them will boost the competitive base of the Nigerian economy. As a result, globalization will lead to raising the quality of living of Nigerians as the country joins the League of Nations and enjoys the rewards of the process.

CHAPTER THREE

THEORETICAL FRAMEWORK AND METHODOLOGY

3.1 Introduction

This chapter reveals the theoretical framework of the study to delineate the relationship between globalization and economic growth in Nigeria and the methodological approach employed to establish the empirical impact of globalization on economic growth. Also, explained here are the

model specified, a priori specification, technique of estimation, data sources and description as well as other methodological issues.

3.1.1 Sources of Data

This study used secondary data. The secondary data are obtained from the Central Bank of Nigeria and the KOF Globalization Index from 1986 to 2019.

3.1.2` Definition and Measurement of Variables

The variables used in this study were informed from the theoretical framework and the existing empirical studies. The definition and measurement of these variables are classified into dependent variable and independent variables. Where GDP is the dependent variable, it is measured by output over population. Independent variables include Economic globalization de facto which is measured by Social globalization de facto is measured by internet usage, telephone tariff. Political globalization de facto is measured by embassies in a country, membership in international bodies. It also consists of Control Variables which are Inflation Rate which is measured by the actual worth of a naira, Exchange Rate measured by the worth of a naira to other currencies, Capital Expenditure measured by government budget, Human Capital measured by expenditure on education.

3.2 Theoretical Framework

In search of the determinants of economic growth and the reasons behind the differences in growth across countries, several growth models have been developed which includes the Harold-Domar (HD) model, the AK-model and the linear growth model as put forward by R. Rostow. However,

the model that best capture the main objective of this study is the Solow – Swan growth model which is a type of an exogenous growth model.

The Neoclassical growth model developed by Solow (1956) is built on production function with constant returns to scale (CRS, hereafter) in its two arguments, capital and labour. Solow's model of economic growth postulates a continuous production function linking output to the inputs of capital and labour which are substitutable. Solow's basic assumptions are: one composite commodity is produced; output is regarded as net output after making allowance for the depreciation of capital; constant returns to scale; the two factors – labour and capital are paid according to their marginal physical productivities; flexibility of prices and wages; full employment of the available stock of capital. Given these assumptions, Solow shows in his model that, with variable technical coefficient, there will be tendency for capital - labour ratio to adjust itself through time in the direction of equilibrium ratio.

The Solow neoclassical growth model is built upon an aggregate, constant- returns- to- scale production function that combines labour and capital (with diminishing marginal returns) in the production of a composite good. Savings are assumed to be a fixed fraction of output, and technology improves at an exogenous rate.

Suppose the production function is Cobb- Douglas, so that

$$Y = AK^{\alpha}L^{(1-\alpha)} \quad 0<\alpha<1$$

Where Y denotes total output, L the number of workers employed in the production, K is the capital stock, A measures the level of technology. Output per worker, y=Y/L, is thus given by

$y = Ak^{\alpha}$… … … … … … … … … … … … … … … … 3.1

The Solow growth model predicts that the long run improvement of living standard depends on the economy's fundamental characteristics including the population growth rate, the savings rate, the rate of technical progress, and the rate of capital depreciation. Capital accumulation plays an important role in the Solow growth model. It is the only endogenous factor of production. Capital is however determined by the saving rate exogenously. In the Solow model, saving rate is the most likely parameter that policy can affect.

3.3 Methodological Approach

This subsection will reveal the methodological approach employed by the study as it pertains to the model specified, and the estimation techniques and procedures employed in this research to evaluate the relationship between globalization and economic growth in Nigeria.

3.2.1 Model Specification

This study will adapt the model of Ying, Chang and Lee (2014) which was formulated to examine globalization on economic

The adapted model used a dynamic panel data model to investigate the impact of globalization on economic growth

$$RGDP_t = \alpha + \beta_1 KOF_t + \beta_2 CV_t + \mu_i \ldots\ldots\ldots\ldots \quad 3.1$$

where i is country index, t is time index, and are the parameters to be estimated, RGDP is the real GDP growth, KOF is globalization index, CV is a vector of other control variables that affect economic growth, μ_i is unobserved error term. In his study however, the time series methodology is opted thus, rendering the unobserved country-specific effect term (μ_i) irrelevant.

The model specified for objective One (1) is given as

$$GDP_t = \alpha + \beta_1 ECOdf_t + \beta_2 CV_t + \vee_t \ldots\ldots\ldots\ldots \quad 3.2$$

where GDP is the logarithm of real GDP per capita, ECOdf is economic globalization, CV is a vector of other control variables that affect economic growth, and $\vee$ is the usual error term.

CV_t represents the endogenous factors introduced, INF_t is the inflation rate, CAP_t is the capital expenditure and HCI_t is the Human Capital Index.

The model specified for objective Two (2) is given as

$$GDP_t = \alpha + \beta_1 POLdf_t + \beta_2 CV_t + \vee_t \ldots\ldots\ldots\ldots\ldots 3.3$$

where GDP is the logarithm of real GDP per capita, POL is Political globalization, CV is a vector of other control variables that affect economic growth, and $\vee$ is the usual error term.

CV_t represents the endogenous factors introduced, INF_t is the inflation rate, CAP_t is the capital expenditure and HCI_t is the Human Capital Index.

The model specified for objective Three (3) is given as

$$GDP_t = \alpha\, GDP_{t-1} + \beta_1 SOCdf_t + \beta_2 CV_t + \vee_t \ldots\ldots\ldots\ldots\ldots 3.4$$

where GDP is the logarithm of real GDP per capita, SOC is Social globalization, CV is a vector of other control variables that affect economic growth, and $\vee$ is the usual error term.

CV_t represents the endogenous factors introduced, INF_t is the inflation rate, CAP_t is the capital expenditure and HCI_t is the Human Capital Index.

The model specified for objective Four (4) is given as

$y_t = \alpha_1 + \quad + \quad + e_t$ ……. 3.5

$x_t = \alpha_1 + \quad + \quad + e_t$ ……. 3.6

The granger causality test for the case of two stationary variables yt and xt, involves as a first step the estimation of VAR model

It is also assumed that both ε_{yt} and ε_{xt} are uncorrelated white-noise terms.

3.2.2 A priori Specification

This subsection reveals the a priori specification of the expected relationship between each independent variable and the dependent variable

Table 3.1: A priori Expectation

Coefficient	Variable	A priori expected sign
β_0	Intercept	Positive
β_1	ECOdf	Positive
β_2	POLdf	Negative
β_3	SOCdf	Negative
β_4	INF	Negative
β_5	EXR	Negative
β_6	CAP	Positive
β_7	HCI	Positive

Source: Author's computation using MS Word

3.3.3 Estimation Technique

The techniques employed in this study include the Augmented Dickey Fuller unit root test. Then, auto regressive Distributed Lag (ARDL) co-integration test was conducted in order to identify the long-run relationship among the variables. If there is evidence of one or more co-integrating relationships, then a long-run is estimated. Granger causality was used to examine the direction of causality among globalization indicators and economic growth in Nigeria, followed with an

assessment of the long run sign, size and significance of the explanatory variables using Fully Modified Ordinary Least Square.

3.4 Description of Variables and Data Sources

Table 3.2: Description and Sources of Data

Identifier	Variable	Description	Sources of Data
GDP	Real Gross Domestic Product	Monetary value of goods and services produced in the economy over a period of time, irrespective of the nationalities of the persons producing the goods and services.	CBN Statistical Bulletin
ECO	Economic Globalization	The interdependence of economies determined by the rise in trade and exchange among the economies and technological growth.	World Development Indicators
POL	Political Globalization	This is the development and advancement of the global political system.	National Bureau of Statistics
SOC	Social Globalization	This refer to the social dimension of interrelationship among economies and the indices of social globalization affects way of life.	National Bureau of Statistics

INF	Inflation rate	This represent an economic situation, where there is a constant general increase in the prices of goods and services. As calculated by an index such as the consumer price index (CPI) or by implicit price deflator for Gross National Product GNP). It could be characterised as a continuous price increase. Its also the condition where too much money purchases too few goods.	Central Bank of Nigeria
EXR	Exchange rate	This is expressed as the price of one currency to another, generally expressed as the domestic price of foreign currency	IMF
CAP	Capital expenditure	This refers to asset spending. It is the buying of goods that can last and be used in the provision of goods or services time and time again. For example, the construction of a new hospital, the procurement of a new computer equipment, the construction of new roads.	CBN (2019)
HCI	Human Capital	This refers to the skills, expertise, abilities and characteristics embodied in people that	OECD (2001)

		promote the development of personal, social and economic well-being.	

Source: Author's computation using E-views 10

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This section presents the data analysis and interpretation of the secondary data gathered from the Central Bank Statistical Bulletin and the World Bank World development indicators Data for the period 1986 to 2019. The data extracted are presented using tables for easy data presentation and understanding. Four hypotheses are tested to achieve the four objectives of this study.

4.2 Data Presentation

Table 4.1 Data presentation for the study

YEAR	KOFECGIdf	KOFSOGIdf	KOFPOGIdf	INF	EXR	CAP	HCI	RGDP	rgdpg
1986	24.4	8.9	63.3	5.72	4.02	8.53	1.092	206	
1987	31.7	8.6	63.5	11.29	4.54	6.37	0.649	204.8	-0.00583
1988	30.5	8.4	78.9	54.51	7.39	8.34	1.081	219.9	0.07373
1989	36	8.3	79.5	50.47	8.04	15.03	1.942	236.7	0.076398
1990	37.3	8.1	79.2	7.36	9.91	24.05	2.292	267.5	0.130123
1991	42.8	8.5	78.4	13.01	17.3	28.34	1.559	265.4	-0.00785
1992	38.7	8.5	82.5	44.59	22.05	15.98	2.064	271.4	0.022607
1993	63.5	8.5	82.6	57.17	21.89	18.6	8	274.8	0.012528

1994	53.9	8.4	82.4	57.03	21.89	31	10.285	275.5	0.002547
1995	36.8	8.3	81.3	72.84	21.89	44.56	12.727	281.4	0.021416
1996	36.3	8.4	79.7	29.27	21.89	48	15.355	293.7	0.04371
1997	37.2	8.3	79.4	8.53	21.89	115.9	15.948	302	0.02826
1998	33.8	8	79.3	10	102.11	185.38	26.72	310.9	0.02947
1999	43.4	9.4	79.8	6.62	111.94	136.98	31.57	312.2	0.004181
2000	41.9	10	84.2	6.93	120.97	311.61	67.57	329.2	0.054452
2001	41.8	10.8	84.4	18.87	129.36	438.7	59.74	357	0.084447
2002	39.9	12.1	84	12.88	133.5	321.38	109.46	433.2	0.213445
2003	41	12.4	83.7	14.03	132.15	241.69	79.44	477.5	0.102262
2004	36.2	14	83.7	15	128.65	393.58	93.77	527.6	0.104921
2005	32.1	17.1	84.1	17.86	125.83	706.88	120.03	561.9	0.065011
2006	34.3	18.2	83.8	8.24	118.57	552.39	165.21	595.8	0.060331
2007	38.9	21.4	83.8	5.38	148.9	759.3	150.78	634.3	0.064619
2008	41.3	26.3	84.7	11.58	150.3	960.9	212.78	672.2	0.059751
2009	40.6	35.9	84.9	11.54	150.3	1152.8	180.52	718.9	0.069473
2010	36.4	37.7	85	13.72	155.5	883.9	258.7	54612.26	74.96642
2011	39	37.8	85.3	10.84	158.2	918.5	371.2	57511.04	0.053079
2012	36.3	37.1	86	12.22	157.2	874.87	348.4	59929.89	0.042059
2013	33.9	37.6	85.7	8.48	157.31	1108.39	390.42	67152.79	0.120522
2014	31.8	39.1	85.5	8.06	158.6	783.12	393.45	67153	3.13E-06
2015	29.9	37.8	86.8	9.01	192.4	818.35	348.75	69024	0.027862
2016	30.4	35.8	85.8	15.68	253.5	653.61	278.95	67931	-0.01584
201	34.5	36.6	85.4	16.5	305.8	1242.3	542.1	68491	0.00824

7				2			9		4
2018	32.5	36.2	85.6	12.09	306.1	1682.1	753.49	69800	0.019112
2019	33.5	36.4	85.5	11.04	306.9	2289	994.19	70002	0.002894

Source: CBN Statistical Bulletin, 2019

4.3 Descriptive Result for the study

- **Table 4.2 Descriptive statistics for each variables in the study (1986-2019)**

	RGDPG	KOFECGIDF	KOFPOGIDF	KOFSOGIDF	INF	HCI	EXR	CAP
Mean	2.319223	37.82121	82.55758	20.00000	20.08061	183.3101	117.6597	538.5424
Median	0.043710	36.40000	83.80000	12.40000	12.22000	93.77000	128.6500	393.5800
Maximum	74.96642	63.50000	86.80000	39.10000	72.84000	994.1900	306.9000	2289.000
Minimum	-0.015835	29.90000	63.50000	8.000000	5.380000	0.649000	4.540000	6.370000
Std. Dev.	13.04154	6.703579	4.246839	12.93795	18.18808	234.1262	89.52600	550.1226
Skewness	5.479958	2.026176	-2.840039	0.477776	1.624257	1.794368	0.523606	1.198231
Kurtosis	31.03040	8.293167	13.28482	1.400309	4.245220	6.154765	2.699165	4.389512
Jarque-Bera	1245.507	61.10386	189.8062	4.774125	16.64221	31.39341	1.632339	10.55144
Probability	0.000000	0.000000	0.000000	0.091899	0.000243	0.000000	0.442122	0.005114
Sum	76.53437	1248.100	2724.400	660.0000	662.6600	6049.232	3882.770	17771.90
Sum Sq. Dev.	5442.615	1438.015	577.1406	5356.500	10585.80	1754082.	256477.0	9684317.
Observations	33	33	33	33	33	33	33	33

Source: Researcher's computation using Eviews 7 (2020)

Table 4.2 above shows the descriptive statistics of this study. IN this table, there are eight variables which consist of real gdp growth rate, economic globilzation, political globalization , social globalization, inflation rate, human capital, exchange rate, and capital expenditure for the study period 1986 to 2019. Each of the descriptive results is discussed below:

Mean: The mean is used to measure the average value of a distribution or what you expect to happen the next time you conduct a similar statistical experiment. Here, we have 33 observations

i.e. the data span from 1986-2019. The average values of real gdp growth rate, economic globilzation, political globalization , social globalization, inflation rate, human capital, exchange rate, and capital expenditure are 2.32, 37.87, 82.56, 20.00, 20.08, 183.31, 117.66, and 538.54 respectively.

Standard deviation: Standard deviation measures the dispersion of the data set from the mean. It can be thought of as a measure of variability. The larger values of standard deviation imply greater variability in the data. The standard deviation as revealed in table 4.1 shows the highest and lowest variability variables are capital expenditure and political globalization of 550.12 and 4.25 respectively.

Skewness: Skewness is the measure of asymmetry in a distribution. When the distribution is mound-shaped symmetrical, the values for the mean, median and mode are the same or almost the same. In table 4.2, it revealed that all the included variables are not normally distributed, hence, asymmetrical distributions exhibited. In specific, all the variables are positively skewed distribution, except the political globalization that exhibited a negatively skewed distribution in this study.

Kurtosis: This measures heaviness or lightness in the tails of the data distribution of the variables. The standard normal distribution has a kurtosis of 3. A positive value tells you that you have heavy- tails (a lot of data in your tails), while a negative value means that you have light-tails (i.e. little data in your tails). Specifically, table 4.1 shows that all the variables exhibited kurtosis distribution, implying their outliers in their distributions because their kurtosis values are higher than 3.0 but social globalization and exchange rate kurtosis values are lower than 3.0 , implying a lower outliers distribution in this

study. In specific, all the included variables are leptokurtic, except social globalization and exchange rate that are platykurtic distribution.

Table 4.3 Correlations Matrix

	RGDPG	KOFECGIDF	KOFPOGIDF	KOFSOGIDF	INF	HCI	EXR	CAP
RGDPG	1.000000	-0.038171	0.103883	0.245070	-0.063322	0.057094	0.075555	0.112372
KOFECGIDF	-0.038171	1.000000	0.025521	-0.375931	0.367332	-0.357114	-0.348771	-0.329267
KOFPOGIDF	0.103883	0.025521	1.000000	0.601569	-0.143474	0.505626	0.636000	0.568451
KOFSOGIDF	0.245070	-0.375931	0.601569	1.000000	-0.430133	0.811760	0.804073	0.844809
INF	-0.063322	0.367332	-0.143474	-0.430133	1.000000	-0.358747	-0.511068	-0.441295
HCI	0.057094	-0.357114	0.505626	0.811760	-0.358747	1.000000	0.868072	0.945452
EXR	0.075555	-0.348771	0.636000	0.804073	-0.511068	0.868072	1.000000	0.884862
CAP	0.112372	-0.329267	0.568451	0.844809	-0.441295	0.945452	0.884862	1.000000

Source: Researcher's computation using EViews 7 (2020)

Table 4.3 shows the result of the correlation matrix among the included variables In specific, the results revealed that degrees of positive and negative association existed between real gdp growth and other variables in this study. All the variables .have a low positive degree of association between real gdp growth and other included variables , except economic globalization and inflation rate that exhibited a negative degree of association within the study period 1986-2019 in this study. Further, the table 4.3 found that the strongest degree of association was between real gdp growth and social globalization while the weakest degree of association was between real gdp growth and economic globalization within the study period of 1986 to 2019 in Nigeria.

4.4 Times Series Econometrics Result

To avoid spurious regression, the time series econometrics results are tested using unit root test and the cointegration test to ascertain individual stationary level and the long-run co-movement of

the included non-stationary variables respectively. These estimation techniques are performed using Eviews 7.0 econometric software in this study.

4.5 Objective One Result

4.5.1 Pre-Tests Estimations

4.5.1.1 Unit Root Test Result

Table 4.4: Unit Root Test using Augmented Dickey-Fuller

	Unit root test at Level			Unit root test at first difference		
Variable	ADF value	Crit. Value ($\alpha = 0.05$)	Order of integration	ADF Value	Critical Value ($\alpha = 0.05$)	Order of integration
RGDPG	-5.65	-3.58	I(0)	-9.33	-2.96	I(1)
KOFECGIDF	-3.63	-3.56	I(0)	-6.59	-2.96	I(1)
INF	-3.26	-3.60	-	-3.51	-3.73	I(1)
EXR	-2.46	-3.58	-	-4.16	-2.96	I(1)
HCI	-2.70	-3.60	-	-4.82	-2.99	I(1)
CAP	-2.48	-3.57	-	-6.56	-2.97	I(1)

Source: Author's computation using EViews(2020)

The unit root test result shown above is generated using Augmented Dickey-Fuller unit root test statistic. A variable is said to be integrated of order d, (I(d)) if it is stationary after differencing d times (Engle and Granger, 1987). In specific, table 4.4 result found that all the variables are not stationary at level except real gdp growth and economic globalization as shown in the first part of this stable. Further, it revealed that all the included variables were stationary after first difference in this study, implying that the included variables are stationary at integrated

order of one, I(1). This implied that the variables now stationary are now fit to be used for the policy inference and forecasting in this study.

4.5.1.2 Cointegration Test Result

Table 4.5 Cointegration Test- using Engle-Granger Cointegration

• Variable	• ADF value	• Critical value @5% level of significance	• Order of intergration
• Residual	• -6.22	• -2.96	• I(0)

Source: Author's computation using E-view 9 (2020)

Table 4.5 shows the Engle-Granger cointegration test to determine the long run relationship among the included variables in this study. The result found that residual ADF value is lesser than the critical value, hence, the null hypothesis of no cointegration is rejected and otherwise, the alternative hypothesis is accepted implying that a cointegration existed among the included variables in this study. In addition, the residual variable is stationary at integrated order of zero , I(0) in this study.

4.5.2 Ordinary Least Square Regression Result

Table 4.6 OLS Regression Estimated : Long run OLS Result

Dependent Variable: RGDPG				
Method: Least Squares				
Date: 11/04/20 Time: 07:52				
Sample (adjusted): 1987 2019				
Included observations: 33 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.403825	16.59421	0.144859	0.8859
KOFECGIDF	-0.065390	0.412710	-0.158440	0.8753
INF	0.015263	0.171138	0.089186	0.9296
HCI	-0.026636	0.035108	-0.758673	0.4546
EXR	-0.005497	0.064306	-0.085489	0.9325
CAP	0.014133	0.015402	0.917635	0.3669

R-squared	0.036777	Mean dependent var		2.319223
Adjusted R-squared	-0.141598	S.D. dependent var		13.04154
S.E. of regression	13.93431	Akaike info criterion		8.269551
Sum squared resid	5242.455	Schwarz criterion		8.541643
Log likelihood	-130.4476	Hannan-Quinn criter.		8.361102
F-statistic	0.206176	Durbin-Watson stat		2.251914
Prob(F-statistic)	0.957020			
Source: Researcher's coputation from EViews				

Table 4.6 presents the static ordinary least square (OLS) result of this model that investigated the impact of economic globalization on economic growth between the study periods of 1986 to 2019 in Nigeria. Specifically, the table 4.6 long run OLS results are presented in two dimensions: the parameter estimates and the diagnostic results for inference and forecasting decisions.

First, the regression coefficients in table 4.6 revealed that all the included variables have no statistically significant impact on real economic growth performance in the long run period of this study in Nigeria. Nonetheless, only exchange rate (EXR) and capital expenditure (CAP) variables conformed to Apriori expectations while other included variables are contrary to the theoretical underpinning relationship with the dependent variable, real economic growth over the study periods 1986 to 2019 in Nigeria. Further, the constant value of 2.40 suggested that other explanatory variables not included in this model have a positive impact on real economic growth of Nigeria in the long run .

On the diagnostic results in table 4.6, R squared, Durbin-Watson (DW) and F-statistic values are used to determine the reliability and prediction of this model. In specific, the R-squared value of 3.7% indicated a very low degree of determination, implying that the change in the real economic growth is explained by only 3.7% change in explanatory variables in the long run and thus, suggested that other unobserved explanatory variables accounted for about 96.3 % changes in the real economic growth of Nigeria in the long run. Further, the Durbin-Waston value of 2.25 indicated no serial autocorrelation in the long run model, which is fulfillment of the OLS assumptions. Lastly, the F-statistics value of 0.20 at P>0.10 indicated that the overall model is not statistically significant at 10 level of significance, hence, the long run model estimated is not reliable to achieve the real economic growth for Nigeria in the long run.

Table 4.7 OLS Regression Estimated : Short-run Parsimonious ECM Result

Dependent Variable: D(RGDPG)				
Method: Least Squares				
Date: 11/04/20 Time: 08:34				
Sample (adjusted): 1990 2019				
Included observations: 30 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.181117	2.617018	0.069207	0.9455
D(RGDPG(-2))	0.170264	0.136990	1.242889	0.2276
D(KOFECGIDF(-2))	0.116704	0.365863	0.318982	0.7529
D(INF(-2))	0.099625	0.147906	0.673573	0.5079
D(HCI(-1))	-0.094091	0.057694	-1.630872	0.1178
D(HCI(-2))	0.030526	0.048786	0.625701	0.5383
D(CAP(-1))	0.022348	0.020757	1.076617	0.2939
D(CAP(-2))	0.013405	0.017085	0.784638	0.4414
ECM(-1)	-0.972356	0.240429	-4.044259	0.0006
R-squared	0.684290	Mean dependent var		-0.002450
Adjusted R-squared	0.564019	S.D. dependent var		19.67113
S.E. of regression	12.98861	Akaike info criterion		8.209348
Sum squared resid	3542.786	Schwarz criterion		8.629708
Log likelihood	-114.1402	Hannan-Quinn criter.		8.343825

F-statistic	5.689592	Durbin-Watson stat		2.123762
Prob(F-statistic)	0.000647			

Source: Researcher's computation from EViews7 (2020)

Table 4.7 displayed the OLS parsimonious error correction model (ECM) result from the over-parameterized OLS which represents the short-run regression model in this study. Unike the static regression model , the short-run model overall model is statistically significant with the F-statistic value 5.69 at P<0.01, therefore the short-run model is reliable and predictive path to achieve steady real economic growth in the long run. Importantly, the error correction value of 97.2% indicated the disequilibrium in real economic growth can be corrected by 97.2% within the short run to achieve a steady real economic growth for Nigeria, although, the ECT is high implying a longer recovery periods in this study.

Although the included variables all conformed to the Apriori expectations, except the human capital of lagged one but none is statistically significant or reliable within the study periods 1986 to 2019. Further the result revealed that two years past changes in real economic growth and economic globalization have a higher positive impact on current change in real economic growth over the study periods 1986 to 2019 in Nigeria. While the two years changes in infrastructure (capital expenditure) has the lowest impact on current change in real economic growth over the study period 1986 to 2019 in Nigeria. Like static model, the short run model also devoid of serial correlation problem, and thus upholds the OLS assumptions.

4.6 Objective Two Result

4.6.1 Pre-Tests Estimations

4.6.1.1 Unit Root Test Result

Table 4.8: Unit Root Test using Augmented Dickey-Fuller

	Unit root test at Level			Unit root test at first difference		
Variable	ADF value	Crit. Value ($\alpha = 0.05$)	Order of integration	ADF Value	Critical Value ($\alpha = 0.05$)	Order of integration
RGDPG	-5.65	-3.58	I(0)	-9.33	-2.96	I(1)
KOFPOGIDF	-4.37	-2.96	I(0)	-6.50	-2.96	I(1)
INF	-3.26	-3.60	-	-3.51	-3.73	I(1)
EXR	-2.46	-3.58	-	-4.16	-2.96	I(1)
HCI	-2.70	-3.60	-	-4.82	-2.99	I(1)
CAP	-2.48	-3.57	-	-6.56	-2.97	I(1)

Source: Author's computation using EViews(2020)

The unit root test result shown above is generated using Augmented Dickey-Fuller unit root test statistic. A variable is said to be integrated of order d, (I(d)) if it is stationary after differencing d times (Engle and Granger, 1987). In specific, table 4.4 result found that all the variables are not stationary at level except real gdp growth and economic globalization as shown in the first part of this stable. Further, it revealed that all the included variables were stationary after first difference in this study, implying that the included variables are stationary at integrated order of one, I(1). This implied that the variables now stationary are now fit to be used for the policy inference and forecasting in this study.

4.6.1.2 Cointegration Test Result

Table 4.9 Cointegration Test- using Engle-Granger Cointegration

• Variable	• ADF value	• Critical value @5% level of significance	• Order of intergration
• Residual	• -6.25	• -2.96	• I(0)

Source: Author's computation using E-view 9 (2020)

Table 4.9 shows the Engle-Granger cointegration test to determine the long run relationship among the included variables in this study. The result found that residual ADF value is lesser than the critical value, hence, the null hypothesis of no cointegration is rejected and otherwise, the alternative hypothesis is accepted implying that a cointegration existed among the included variables in this study. In addition, the residual variable is stationary at integrated order of zero , I(0) in this study.

4.6.2 Ordinary Least Square Regression Result

Table 4.10 OLS Regression Estimated : Long run OLS Result

Dependent Variable: RGDPG				
Method: Least Squares				
Date: 11/04/20 Time: 21:05				
Sample (adjusted): 1987 2019				
Included observations: 33 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-13.66802	62.75054	-0.217815	0.8292
KOFPOGIDF	0.180578	0.820805	0.220001	0.8275
INF	-0.006035	0.175229	-0.034441	0.9728
HCI	-0.023059	0.036092	-0.638886	0.5283
EXR	-0.013213	0.073206	-0.180489	0.8581
CAP	0.012964	0.015767	0.822258	0.4181
R-squared	0.037606	Mean dependent var		2.319223
Adjusted R-squared	-0.140615	S.D. dependent var		13.04154
S.E. of regression	13.92831	Akaike info criterion		8.268689
Sum squared resid	5237.939	Schwarz criterion		8.540782
Log likelihood	-130.4334	Hannan-Quinn criter.		8.360240
F-statistic	0.211009	Durbin-Watson stat		2.260262
Prob(F-statistic)	0.954890			

Table 4.10 presents the static ordinary least square (OLS) result of this model that investigated the impact of economic globalization on economic growth between the study periods of 1986 to 2019

in Nigeria. Specifically, the table 4.10 long run OLS results are presented in two dimensions: the parameter estimates and the diagnostic results for inference and forecasting decisions.

First, the regression coefficients in table 4.10 revealed that all the included variables have no statistically significant impact on real economic growth performance in the long run period of this study in Nigeria. Nonetheless, only exchange rate (EXR) and capital expenditure (CAP) variables conformed to Apriori expectations while other included variables are contrary to the theoretical underpinning relationship with the dependent variable, real economic growth over the study periods 1986 to 2019 in Nigeria. Further, the constant value of 2.40 suggested that other explanatory variables not included in this model have a positive impact on real economic growth of Nigeria in the long run .

On the diagnostic results in table 4.10, R squared, Durbin-Watson (DW) and F-statistic values are used to determine the reliability and prediction of this model. In specific, the R-squared value of 3.7% indicated a very low degree of determination, implying that the change in the real economic growth is explained by only 3.7% change in explanatory variables in the long run and thus, suggested that other unobserved explanatory variables accounted for about 96.3 % changes in the real economic growth of Nigeria in the long run. Further, the Durbin-Waston value of 2.25 indicated no serial autocorrelation in the long run model, which is fulfillment of the OLS assumptions. Lastly, the F-statistics value of 0.20 at P>0.10 indicated that the overall model is not statistically significant at 10 level of significance, hence, the long run model estimated is not reliable to achieve the real economic growth for Nigeria in the long run.

Table 4.11 OLS Regression Estimated : Short-run Parsimonious ECM Result

Dependent Variable: D(RGDPG)				
Method: Least Squares				
Date: 11/04/20 Time: 08:59				
Sample (adjusted): 1989 2019				
Included observations: 31 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.561925	2.557581	0.219709	0.8280
D(RGDPG(-1))	-0.260984	0.191979	-1.359442	0.1872
D(KOFPOGIDF(-2))	-0.664397	0.986569	-0.673442	0.5074
D(INF(-2))	0.173630	0.180393	0.962512	0.3458
D(HCI(-1))	-0.121093	0.063297	-1.913089	0.0683
D(CAP(-1))	0.034450	0.021689	1.588332	0.1259
D(CAP(-2))	0.025778	0.016634	1.549749	0.1349
ECM(-1)	-0.658870	0.336884	-1.955776	0.0627
R-squared	0.682617	Mean dependent var		-0.002285
Adjusted R-squared	0.586023	S.D. dependent var		19.34050
S.E. of regression	12.44388	Akaike info criterion		8.097971
Sum squared resid	3561.554	Schwarz criterion		8.468032
Log likelihood	-117.5186	Hannan-Quinn criter.		8.218602
F-statistic	7.066823	Durbin-Watson stat		2.180264
Prob(F-statistic)	0.000150			

Source: Researcher's computation from EViews7 (2020)

Table 4.11 displayed the OLS parsimonious error correction model (ECM) result from the over-parameterized OLS which represents the short-run regression model in this study. Unike the static regression model , the short-run model overall model is statistically significant with the F-statistic value 5.69 at $P<0.01$, therefore the short-run model is reliable and predictive path to achieve steady real economic growth in the long run. Importantly, the error correction value of 97.2% indicated the disequilibrium in real economic growth can be corrected by 97.2% within the short run to achieve a steady real

economic growth for Nigeria, although, the ECT is high implying a longer recovery periods in this study.

Although the included variables all conformed to the Apriori expectations, except the human capital of lagged one but none is statistically significant or reliable within the study periods 1986 to 2019. Further the result revealed that two years past changes in real economic growth and economic globalization have a higher positive impact on current change in real economic growth over the study periods 1986 to 2019 in Nigeria. While the two years changes in infrastructure (capital expenditure) has the lowest impact on current change in real economic growth over the study period 1986 to 2019 in Nigeria. Like static model, the short run model also devoid of serial correlation problem, and thus conform to the OLS assumptions.

4.7 Objective Three Result

4.7.1 Pre-Tests Estimations

4.7.1.1 Unit Root Test Result

Table 4.12: Unit Root Test using Augmented Dickey-Fuller

	Unit root test at Level			Unit root test at first difference		
Variable	ADF value	Crit. Value ($\alpha = 0.05$)	Order of integration	ADF Value	Critical Value ($\alpha = 0.05$)	Order of integration
RGDPG	-5.65	-3.58	I(0)	-9.33	-2.96	I(1)
KOFSOGIDF	-0.63	-2.96	-	-3.08	-2.96	I(1)
INF	-3.26	-3.60	-	-3.51	-3.73	I(1)
EXR	-2.46	-3.58	-	-4.16	-2.96	I(1)
HCI	-2.70	-3.60	-	-4.82	-2.99	I(1)
CAP	-2.48	-3.57	-	-6.56	-2.97	I(1)

Source: Author's computation using EViews(2020)

The unit root test result shown above is generated using Augmented Dickey-Fuller unit root test statistic. A variable is said to be integrated of order d, (I(d)) if it is stationary after

differencing d times (Engle and Granger, 1987). In specific, table 4.12 result found that all the variables are not stationary at level except real gdp growth and economic globalization as shown in the first part of this stable. Further, it revealed that all the included variables were stationary after first difference in this study, implying that the included variables are stationary at integrated order of one, I(1). This implied that the variables now stationary are now fit to be used for the policy inference and forecasting in this study.

4.7.1.2 Cointegration Test Result

Table 4.13 Cointegration Test- using Engle-Granger Cointegration

• Variable	• ADF value	• Critical value @5% level of significance	• Order of intergration
• Residual	• -6.71	• -2.96	• I(0)

Source: Author's computation using E-view 9 (2020)

Table 4.13 shows the Engle-Granger cointegration test to determine the long run relationship among the included variables in this study. The result found that residual ADF value is lesser than the critical value, hence, the null hypothesis of no cointegration is rejected and otherwise, the alternative hypothesis is accepted implying that a cointegration existed among the included variables in this study. In addition, the residual variable is stationary at integrated order of zero , I(0) in this study.

4.7.2 Ordinary Least Square Regression Result

Table 4.14 OLS Regression Estimated : Long run OLS Result

Dependent Variable: RGDPG		
Method: Least Squares		
Date: 11/04/20 Time: 09:03		

Sample (adjusted): 1987 2019				
Included observations: 33 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.295974	7.623358	-0.694704	0.4932
KOFSOGIDF	0.592885	0.348323	1.702114	0.1002
INF	0.025822	0.156353	0.165153	0.8701
HCI	-0.028118	0.032708	-0.859668	0.3975
EXR	-0.024768	0.062178	-0.398343	0.6935
CAP	0.006141	0.015212	0.403723	0.6896
R-squared	0.129309	Mean dependent var		2.319223
Adjusted R-squared	-0.031930	S.D. dependent var		13.04154
S.E. of regression	13.24811	Akaike info criterion		8.168553
Sum squared resid	4738.836	Schwarz criterion		8.440645
Log likelihood	-128.7811	Hannan-Quinn criter.		8.260103
F-statistic	0.801971	Durbin-Watson stat		2.397842
Prob(F-statistic)	0.558131			

Table 4.14 presents the static ordinary least square (OLS) result of this model that investigated the impact of economic globalization on economic growth between the study periods of 1986 to 2019 in Nigeria. Specifically, the table 4.14 long run OLS results are presented in two dimensions: the parameter estimates and the diagnostic results for inference and forecasting decisions.

First, the regression coefficients in table 4.6 revealed that all the included variables have no statistically significant impact on real economic growth performance in the long run period of this study in Nigeria. Nonetheless, only exchange rate (EXR) and capital expenditure (CAP) variables conformed to Apriori expectations while other included variables are contrary to the theoretical underpinning relationship with the dependent variable, real economic growth over the study periods 1986 to 2019 in Nigeria. Further, the constant value of 2.40 suggested that other

explanatory variables not included in this model have a positive impact on real economic growth of Nigeria in the long run .

On the diagnostic results in table 4.14, R squared, Durbin-Watson (DW) and F-statistic values are used to determine the reliability and prediction of this model. In specific, the R-squared value of 3.7% indicated a very low degree of determination, implying that the change in the real economic growth is explained by only 3.7% change in explanatory variables in the long run and thus, suggested that other unobserved explanatory variables accounted for about 96.3 % changes in the real economic growth of Nigeria in the long run. Further, the Durbin-Waston value of 2.25 indicated no serial autocorrelation in the long run model, which is fulfillment of the OLS assumptions. Lastly, the F-statistics value of 0.20 at P>0.10 indicated that the overall model is not statistically significant at 10 level of significance, hence, the long run model estimated is not reliable to achieve the real economic growth for Nigeria in the long run.

Table 4.15 OLS Regression Estimated : Short-run Parsimonious ECM Result

Dependent Variable: D(RGDPG)				
Method: Least Squares				
Date: 11/04/20 Time: 09:17				
Sample (adjusted): 1990 2019				
Included observations: 30 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.107414	2.497140	-1.644847	0.1156
D(RGDPG(-2))	0.043469	0.095216	0.456534	0.6529
D(KOFSOGIDF(-1))	5.230039	1.284767	4.070806	0.0006
D(KOFSOGIDF(-2))	-1.993428	1.791515	-1.112705	0.2790
D(INF(-1))	-0.068109	0.120860	-0.563533	0.5793
D(INF(-2))	0.076337	0.106859	0.714372	0.4833
D(HCI(-1))	-0.046690	0.029974	-1.557647	0.1350
D(HCI(-2))	0.061415	0.036203	1.696397	0.1053
D(EXR(-1))	0.096035	0.093586	1.026167	0.3171

ECM2(-1)	-0.852218	0.266262	-3.200677	0.0045
R-squared	0.851117	Mean dependent var		-0.002450
Adjusted R-squared	0.784120	S.D. dependent var		19.67113
S.E. of regression	9.139771	Akaike info criterion		7.524349
Sum squared resid	1670.708	Schwarz criterion		7.991415
Log likelihood	-102.8652	Hannan-Quinn criter.		7.673768
F-statistic	12.70378	Durbin-Watson stat		2.006342
Prob(F-statistic)	0.000002			

Source: Researcher's computation from EViews7 (2020)

Table 4.15 displayed the OLS parsimonious error correction model (ECM) result from the over-parameterized OLS which represents the short-run regression model in this study. Unike the static regression model , the short-run model overall model is statistically significant with the F-statistic value 5.69 at P<0.01, therefore the short-run model is reliable and predictive path to achieve steady real economic growth in the long run. Importantly, the error correction value of 97.2% indicated the disequilibrium in real economic growth can be corrected by 97.2% within the short run to achieve a steady real economic growth for Nigeria, although, the ECT is high implying a longer recovery periods in this study.

Although the included variables all conformed to the Apriori expectations, except the human capital of lagged one but none is statistically significant or reliable within the study periods 1986 to 2019. Further the result revealed that two years past changes in real economic growth and economic globalization have a higher positive impact on current change in real economic growth over the study periods 1986 to 2019 in Nigeria. While the two years changes in infrastructure (capital expenditure) has the lowest impact on current change in real economic growth over the study period 1986 to 2019 in Nigeria.

Like static model, the short run model also devoid of serial correlation problem, and thus upholds the OLS assumptions.

4.8 Objective Four Result

Table 4.16 Pairwise Granger Causality Test between Real Economic growth, Economic globalization, Political Globalization and Social Globalization in Nigeria

Pairwise Granger Causality Tests			
Date: 11/04/20 Time: 20:36			
Sample: 1986 2019			
Lags: 2			
Null Hypothesis:	Obs	F-Statistic	Prob.
KOFECGIDF does not Granger Cause RGDPG	31	0.10844	0.8976
RGDPG does not Granger Cause KOFECGIDF		0.15017	0.8613
KOFPOGIDF does not Granger Cause RGDPG	31	0.28415	0.7550
RGDPG does not Granger Cause KOFPOGIDF		0.29108	0.7499
KOFSOGIDF does not Granger Cause RGDPG	31	20.5615	4.E-06
RGDPG does not Granger Cause KOFSOGIDF		0.29221	0.7490
KOFPOGIDF does not Granger Cause KOFECGIDF	32	1.03988	0.3672
KOFECGIDF does not Granger Cause KOFPOGIDF		2.83680	0.0762
KOFSOGIDF does not Granger Cause KOFECGIDF	32	1.50791	0.2394
KOFECGIDF does not Granger Cause KOFSOGIDF		0.03457	0.9661
KOFSOGIDF does not Granger Cause KOFPOGIDF	32	10.6106	0.0004
KOFPOGIDF does not Granger Cause KOFSOGIDF		0.39094	0.6802

Source: Researcher's computation from EViews 7, 2020

Table 4.16 shows the pairwise granger causality test between real economic growth, economic globalization, political globalization and social globalization within the study periods 1986 to 2019. Specifically, the result revealed that all the four pairs variables do not cause each other within the study periods. Further, table 4.16 found that social globalization caused real economic growth of 20.58 at P<0.01 as well as social globalization caused political globalization of 10.61 at P<0.01 and lastly, economic globalization caused political globalization of 2.84 at P<.10 respectively. Importantly, the Pairwise Granger causality found that a univariate causality existed between real economic growth, economic globalization, political globalization, and social globalization within the study periods 1986 to 2019.

4.9 Discussion of Findings

The findings from the four hypotheses are discussed below as follows.

First, the hypothesis one revealed that economic globalization has a negative and positive impact on real economic growth in the long run and short run respectively in Nigeria over the study periods 1986 to 2019. Though the overall long run model was not statistically significant at 1% or 5% level but this model was statistically significant at the short run model of this study.

Second, the hypothesis two of this study like the first hypothesis the political globalization also has a negative and positive impact on real economic growth in the long run and short run models respectively in Nigeria. In same vein, the long run was not statistically significant while the short run model was statistically significant in this study over the study period 1986 to 2019 in Nigeria.

Third, the hypothesis three of this study is different from the first two hypotheses in this study. Specifically, the result found that social globalization has a high positive impact on real economic growth in the long run and short run respectively. Like other hypotheses, the overall model was not statistically significant in the long run while the short run was statistically significant in this study over the study periods 0f 1986 to 2019 in Nigeria.

Fourth and the last hypothesis of this study found that a univariate causal relationship existed between real economic growth, economic globalization, political globalization, and social globalization over the study periods 1986 to 2019 in Nigeria. In specific, social globalization caused real economic growth of 20.58 at P<0.01 as well as social globalization caused political globalization of 10.61 at P<0.01 and lastly, economic globalization caused political globalization of 2.84 at P<.10 respectively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Findings

The result of this study summaried as follows in four hypotheses

i. Hypothesis one investigated the impact of econoimic globalization on economic growth in Nigeria from 1986-2019. It employs descriptive and econometric methodology. The descriptive result reviews that all variables are not normally distributed. The econometric univarite, co integration, long run Ordinary Least Square, OLS error term correction model respectively.

ii. Hypothisis two investigated the impact of political globalization on economic growth in Nigeria using descriptive and econometric methodology. It revealed that there is a cointegration among variables.

iii. Hypothesis three reveals that social globalalization has a direct impact on Economic growth in Nigeria using descriptive and econometric methodology.

iv. The fourth hypothsis tested the causal relationship between Real Economic Growth, Economic Globaliztion, Political Globalization, and Social Globalization inNigeria. The study empolyed a pairwise Granger causality. The result revealed that a univatite casual realtion existed between Economic Globaliztio, Political Globaliztion, Social Globalization.

5.2 Conclusion of the Study

In specifc, the study concludes that Political and Social Globalization has a positive but insignificant impact on real economic growth on Nigeria. While, Economic Globalization has a negative but insignificant imapact on Real Economic growthon the long runin Nigeria. Futher, the study concludes that only Social Globalization has a high positive and significant impact on Real Economic growth in Nigeria over the study period 1986-2019 in the short run. Lastly, the study concludes that a univarite casual relationship exist between Real Economic growth, Economic Globalization, Political Globalization,and Social Globalization within the study period o1986 to 2019in Nigeria.

5.3 Recommendation of the Study

Based on the emprirical results, the study recommends the following:

i. The government place more emphasis on Social Globalization than Political and Economic Globalization, for it has a stimulous recovery to steady the real economic growth of Nigeria within the study period of 1986 to 2019

ii. Government should provide a friendly macro economic environment indicators to boost the real econmoic growthwithin the study period.

iii. Finally, the government should also consider other macro economic driver policies, especially domestic policies to ascertain the real economic growth of Nigeria both in the short and long run.

5.4 Recommendations for Futher Studies

This study can be futher extended by considering other measures of globalization such as de jure as well as mixture of de facto and de jure. In addition, the study can be extended from a country to cross-sectional study. lastly the study methodology can be improved from time series econometric to a panel econometric method.

5.5 Limitation of the Study

This study was constraint due to

i. Scope of the study

ii. Use of a single country study

iii. Use of time series econometrics

iv. Use of OLS and Pair Granger causality

v. Financial and Time constraintS