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Globalization and Economic Development in Nigeria

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Abstract: Globalization has both negative and beneficial effects on the development of country's economy. Developing countries are more susceptible to the negative consequences of globalization, and given the current wave of globalization, it will be difficult for developing countries to insulate their domestic economies from the vagaries of globalization. This study therefore examine the impact of globalization on economic development in Nigeria. Globalization is proxied by the degree of trade openness, foreign direct investment inflow, foreign portfolio investment inflow and exchange rate while economic development is measured in terms of the human development index. To conduct the study, annual time-series data from 1990 to 2022 were analysed using the autoregressive distributed lag (ARDL) model. The findings from the study indicated that globalization via degree of trade openness and exchange rate negatively affects the development of the Nigerian economy. On the other hand, globalization through foreign direct and foreign portfolio investments inflows made insignificant positive contribution to economic development in Nigeria. Among other things, it is recommended that there is the need to improve the country's competitiveness in international trade transactions so as to reduce the vulnerability of the economy to the perils of globalization.
Keywords: Globalization, Economic, Development.

1. INTRODUCTION

Globalization, the process of increasing global interconnectedness and interdependence, has become a defining feature of the modern world. This phenomenon, characterized by the rapid movement of goods, services, capital, and information across borders, has had profound implications for economies worldwide. In Nigeria, a nation rich in natural resources yet struggling with persistent economic and social issues, the effects of globalization are both profound and contentious. The debate on the effects of globalization in Nigeria's economic growth and development reveals a spectrum of viewpoints, each highlighting different dimensions of this complex process.

On one side of the debate, globalization is often seen as a catalyst for economic growth and development. Osei-Assibey and Mensah (2023) claim that globalization has permitted better access to foreign markets for Nigerian enterprises, resulting in higher export income and economic diversification. Their research underlines that Nigeria's incorporation into the global economy has promoted industrialization and technological growth, which are crucial for sustainable growth. Others scholars like Ayodele and Falokun (2003) argue that globalization has brought substantial

benefits to Nigeria by enhancing foreign investment and access to international markets. They point to the growth of sectors such as telecommunications and banking as evidence of the positive impacts of global integration. Similarly, Ogunkola (2008) underscores that globalization has enabled Nigeria to integrate more deeply into the global economy, facilitating capital inflows and promoting trade liberalization. This perspective suggests that globalization has opened up new opportunities for technological advancement and economic dynamism in Nigeria.

However, this optimistic view is counterbalanced by critical perspectives that question the overall efficacy of globalization in addressing Nigeria's growth challenges. Ihonvbere (1999) argues that rather than fostering sustainable growth, globalization has worsen Nigeria's dependency on Western economies, making the country more vulnerable to global economic fluctuations. He suggests that the benefits of globalization have been unevenly distributed, reinforcing existing economic inequalities and political instability. Adesina (2012) further critiques globalization by asserting that it primarily serves the interests of developed nations, often neglecting the growth needs of countries like Nigeria. This view highlights the disparity

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between the global economic benefits and the localized needs of Nigerian society.

Obadan (2014) provides additional insights into the negative impacts of globalization, noting that while it has contributed to economic growth, it has also led to increased income inequality. He emphasizes that wealth has become concentrated among a small elite, leaving the majority of Nigerians in poverty. This concern is echoed by Ake (2000), who argues that globalization undermines local industries by exposing them to international competition and worsen the exploitation of Nigeria's resources by multinational corporations. According to Ake, rather than fostering local growth, globalization often benefits foreign entities at the expense of Nigerian businesses and industries.

Further compounding these issues, Ohuabunwa (1999) highlights the detrimental effects of globalization on Nigerian manufacturing and business sectors. The influx of cheap imports facilitated by globalization has harmed local industries, contributing to deindustrialization and economic stagnation. Amadi (2012) critiques the neoliberal economic policies promoted by global institutions such as the IMF and World Bank, arguing that these policies have increased poverty and inequality in Nigeria rather than fostering sustainable growth and development.

Adebayo (2024) contends that rather than supporting sustainable growth and development, globalization has increased socioeconomic disparities in Nigeria, with the advantages of economic progress unevenly distributed. The analysis indicates that although some regions have enjoyed substantial economic growth, others continue to deal with poverty and restricted access to resources, underlining the need for more egalitarian polices. Also Ezeani and Nwachukwu (2023) explore how globalization has led to a shift in employment patterns, with a rising emphasis on service-oriented industries and a loss in traditional agricultural and manufacturing positions. Nwafor and Nwachukwu (2023) stress that rising industrial activity and foreign investments have contributed to environmental deterioration, including deforestation and pollution. This has generated worries about the sustainability of Nigeria's economic progress in the perspective of global environmental standard.

From the forgoing, the debate on globalization and economic growth in Nigeria displays a very complex interplay of benefits and challenges. While globalization has introduced new opportunities for growth and development, it has also perpetuated dependency, inequality, poverty, and economic difficulties. It is against this bedrock that this paper is set to empirically examine the impact of globalization on the economic development of Nigeria. Specifically, the paper examines the impact of degree of trade openness, foreign direct investment, foreign portfolio investment, and exchange rate on economic development in Nigeria.

2. LITERATURE REVIEW
2.1 Conceptual Clarification
2.1.1 Globalization
Globalization is the process through which national economies become increasingly interconnected through cross-border flows of goods, services, capital, technology, information, and labor. It involves trade liberalization, financial integration, multinational production networks, and institutional coordination through global governance bodies such as the World Trade Organization, International Monetary Fund, and World Bank.

In the Nigerian context, globalization refers to the country's integration into global oil markets, financial systems, telecommunications networks, and international trade regimes following liberalization reforms beginning in 1986.

2.1.2 Economic Development
Economic development is a multidimensional process involving sustained improvements in real income, structural transformation of the economy, reduction in poverty and inequality, employment expansion, technological upgrading, and institutional strengthening. Unlike economic growth (which measures increases in output or GDP), economic development captures qualitative changes in production structures and human welfare.

In Nigeria, development implies diversification away from oil dependence, industrial upgrading, poverty reduction, and improvements in living standards.

2.2 Theoretical Literature Review
This study is grounded on two complementary theories the Classical Trade Theory (Comparative Advantage) and the Dependency Theory to explain the dynamics between globalization and economic growth in Nigeria.

Classical Trade Theory
The Classical Trade Theory, articulated by economists like Adam Smith and David Ricardo, posits that countries benefit from participating in international trade by specializing in the production of goods and services in which they have a comparative advantage. According to Ricardo, even if a country is less efficient in producing all goods compared to its trading partners, it can still gain from trade by focusing on products it can produce relatively more efficiently and exchanging them for others.

In the Nigerian context, globalization facilitates this process by opening up markets, attracting foreign investment, promoting technology transfer, and enabling the flow of ideas and innovation. Nigeria's abundant

natural resources, such as oil and gas, theoretically position it to benefit from globalization by exporting these resources and using the proceeds to invest in infrastructure, human capital, and diversification of its economy. Globalization also brings opportunities for Nigerian firms to access larger markets, improve productivity, and adopt advanced technologies, thereby fostering economic growth and growth.

However, this optimistic view assumes efficient markets, sound institutions, and the ability of the economy to adjust to external competition — conditions that may not always hold in developing economies like Nigeria.

Dependency Theory

On the other hand, the Dependency Theory, advanced by scholars such as Andre Gunder Frank and Samir Amin, offers a critical perspective. It argues that globalization often reinforces the structural inequalities between developed (core) and developing (peripheral) nations. According to this theory, peripheral economies like Nigeria become dependent on the core economies for technology, capital, and markets, resulting in a form of economic exploitation that limits self-sustained growth.

For Nigeria, globalization has often meant heavy reliance on oil exports, vulnerability to global commodity price fluctuations, and limited industrialization. The benefits of globalization tend to accrue disproportionately to multinational corporations and a small elite, while leaving much of the population marginalized. This situation exacerbates income inequality, depletes natural resources, and undermines long-term growth goals.

By integrating the insights from both theories, this study acknowledges that globalization can serve as a driver of economic growth in Nigeria if properly managed, but it also poses significant risks if the structural challenges and institutional weaknesses of the economy are not addressed. The positive outcomes predicted by Classical Trade Theory are more likely to materialize when Nigeria invests in human capital, diversifies its economy, and strengthens its institutions to effectively harness the opportunities of globalization. Conversely, without these measures, the negative outcomes emphasized by Dependency Theory such as dependency, inequality, and undergrowth may prevail.

This theoretical framework thus provides a balanced lens for examining the dual nature of globalization: as both an opportunity and a challenge for economic growth in Nigeria.

2.3 Empirical Literature Review

Some studies conducted on globalization and economic growth are revealed in this section. Adebayo (2024) finds that globalization has intensified socioeconomic disparities across Nigerian regions, with economic growth concentrated in urban and oil-producing areas while rural communities remain marginalized.

According to UNDP (2024) in its Human Growth Report examined the impact of globalization on economic growth and inequality across developing and developed countries. Using a mix of global indices, case studies, and survey data, the report showed, that globalization has generally improved living standards, increased incomes, and expanded access to technology and markets, particularly in developing economies.

The World Bank (2023), in its World Growth Report, investigated the impact of globalization on economic growth and poverty reduction across developing and developed economies. Using cross-country econometric analysis combined with detailed case studies, the report indicates that globalization has contributed significantly to higher economic growth rates and substantial poverty reduction worldwide.

Osei-Assibey and Mensah (2023), through cross-country econometric analysis focusing on Sub-Saharan African economies including Nigeria, demonstrate that globalization enhances access to foreign markets, increases export earnings, and promotes economic diversification. Their findings indicate that Nigeria's integration into global trade networks has stimulated industrialization and technological diffusion, both of which are fundamental drivers of sustainable economic growth. The study empirically links trade openness and foreign direct investment (FDI) inflows with improvements in productivity levels and industrial output.

Egbon and Ezeoha (2023) evaluated the impact of globalization on economic growth in Sub-Saharan Africa using panel data from 25 countries covering the period 1995–2021. The study assessed how globalization influenced GDP growth, foreign investment, and income distribution. The findings showed that globalization significantly increased GDP growth and attracted higher levels of foreign investment across the region.

Ezeani and Nwachukwu (2023) provide labor market analysis showing a structural shift toward service-oriented industries, accompanied by declining employment in agriculture and manufacturing. This transformation, while reflecting modernization, raises concerns about job security and inclusive growth. Additionally, Nwafor and Nwachukwu (2023) investigate environmental consequences, demonstrating that increased industrial activity and foreign investments have contributed to deforestation, pollution, and ecological degradation. Their findings question the environmental sustainability of globalization-driven growth in Nigeria, particularly in light of global environmental standards.

Bello and Eze (2022) examined the relationship between globalization and economic growth in Nigeria using quarterly data from 1981 to 2019 and applying a Vector Error Correction Model (VECM). Their study examined the effects of foreign direct investment (FDI) and trade openness on Nigeria's GDP. The result revealed that both FDI and trade openness significantly contributed to economic growth in the long run.

Yusuf and Akinola (2022) investigated the impact of globalization on economic growth in Nigeria using data from 1980 to 2020. Their study found that globalization, through trade openness and foreign direct investment, significantly improved industrial output and productivity in the long run.

Omoju and Adesanya (2021) investigated the effect of globalization on economic growth in Nigeria using dynamic panel data and the Generalized Method of Moments (GMM) estimation technique. Their findings showed that globalization, measured by trade openness and foreign direct investment, had a significant positive impact on GDP and per capita income.

Dreher *et al.*, (2021) carried out a global empirical study to evaluate the impact of globalization on economic growth using panel data from over 140 countries. The study measured globalization through economic, social, and political dimensions and analyzed its effects on GDP per capita and human growth indicators. The result established that globalization significantly enhanced both economic growth and human growth, particularly in countries with strong institutions and good governance.

Olanipekun *et al.,* (2021) examined the impact of globalization on human growth in Nigeria (1980–2018) using ARDL. The results showed that, in the long run, trade openness and FDI significantly improved human growth, while financial openness had a smaller positive effect. Short-run effects were weaker, suggesting that globalization's benefits take time to materialize and require sustained policy support.

Igbeka and Ojo (2021) investigated the impact of globalization on economic growth in Nigeria, focusing on the roles of trade openness, foreign direct investment (FDI), and technology transfer. Using time-series data and employing cointegration and error correction techniques, the result found that globalization positively influenced Nigeria's GDP and industrial growth in the long run. However, the benefits were unevenly distributed, as the gains were concentrated in sectors such as oil and telecommunications, while manufacturing and agriculture lagged behind.

Egwaikhide *et al.*, (2020) evaluated the impact of globalization on economic growth in Nigeria using time-series data and econometric techniques. The study focused on key indicators of globalization, including trade openness, foreign direct investment (FDI), and external debt, and examined their effects on Nigeria's GDP and growth outcomes. The study revealed that globalization had a positive but relatively weak effect on economic growth.

Lawal and Ezeuchenne (2017) conducted a study on the impact of globalization on Nigeria's economic growth using time-series data and econometric techniques. The finding implies that trade openness and FDI positively and significantly influenced growth in the long run, while short-run effects were weaker due to structural and policy challenges.

Adedoyin *et al.*, (2016) examined the relationship between globalization and economic growth in Nigeria using time-series data and econometric analysis. The study measured globalization through trade openness, foreign direct investment (FDI), and exchange rate dynamics, and examined their effects on Nigeria's GDP and growth indicators. The results showed that globalization had a positive and significant impact on economic growth in the long run, largely driven by increased trade and capital inflows.

Ayodele and Sotola (2014) examined the impact of globalization on economic growth in Nigeria, focusing on the effects of trade liberalization, foreign direct investment (FDI), and financial integration. Using time-series data and regression analysis, the study found that globalization had a mixed impact on Nigeria's growth. While trade and FDI contributed positively to GDP growth, the benefits were unevenly distributed and did not translate into significant improvements in employment or poverty reduction.

Adesina (2012) expands this critique by examining neoliberal policy prescriptions implemented under globalization. Drawing on socio-economic indicators, he contends that global economic reforms have prioritized market liberalization over social welfare, often neglecting Nigeria's domestic development needs. Obadan (2014) further provides empirical evidence that although globalization has contributed to aggregate economic growth, it has simultaneously intensified income inequality. Using income distribution data, he shows that wealth concentration among elites has increased, leaving a substantial proportion of the population in poverty.

Amadi (2012) critically examines the role of international financial institutions such as the IMF and the World Bank in shaping Nigeria's economic policies. His study argues that structural adjustment and neoliberal reforms have exacerbated poverty and inequality rather than fostering sustainable development. More recent empirical contributions continue to highlight emerging dimensions of globalization's impact.

Adesina (2012) studied the impact of globalization on economic growth in Nigeria from 1980–2010, and found that trade openness, FDI, and exchange rate had positive but statistically insignificant effects. The study attributed this to weak institutions and structural challenges and recommended institutional reforms to better harness globalization's benefits.

Omoju and Adesanya (2012) investigated the impact of globalization on economic growth in Nigeria using time-series data and econometric analysis. The study assessed the effects of trade openness, foreign direct investment (FDI), and exchange rate movements on economic growth and growth indicators. Their results showed that globalization had a positive but modest effect on Nigeria's economic growth, as the benefits were constrained by structural weaknesses and institutional challenges within the economy.

Ayodele and Falokun (2003) provide sector-specific evidence that globalization has facilitated foreign investment and expanded Nigeria's access to international markets. Their empirical observations highlight the remarkable growth of the telecommunications and banking sectors following liberalization policies. The expansion of mobile communication infrastructure and modernization of financial services are cited as measurable indicators of globalization-induced transformation. In the same vein, Ogunkola (2008), using trade and macroeconomic data analysis, underscores that trade liberalization and capital inflows have deepened Nigeria's integration into the global economy. His study suggests that globalization has encouraged market efficiency, technological upgrading, and enhanced participation in global value chains.

The structural critique is further reinforced by Ake (2000), whose analysis emphasizes the adverse impact of global competition on local industries. He argues that exposure to international markets without adequate domestic industrial capacity undermines indigenous enterprises and promotes resource exploitation by multinational corporations. Ohuabunwa (1999) supports this claim by documenting the decline of Nigeria's manufacturing sector due to the influx of cheap imported goods. His empirical observations associate trade liberalization with deindustrialization and reduced local production capacity.

However, these positive empirical claims are contested by scholars who interrogate the structural implications of globalization for Nigeria. Ihonvbere (1999), employing a political economy framework, argues that globalization has reinforced Nigeria's dependency on Western economies. His analysis suggests that rather than fostering autonomous development, integration into global markets has heightened vulnerability to external shocks, including fluctuations in oil prices and global financial crises. The benefits of globalization, according to his findings, are unevenly distributed, thereby exacerbating socio-political instability.

3. METHOD OF STUDY

3.1 Research Design
Ex-post factor research design was used in this study. This is because the study depends on already existing time series data on globalization indicators and economic growth and development in Nigeria.

3.2 Model Specification
The study adopted the model used by Odo, Agbo and Agbaji (2020), which analyzed globalization's impact on Nigeria's economic growth. The econometric model from their study is:

$$GDPPC_t = \beta_0 + \beta_1 GLO_t + \beta_2 FDI_t + \beta_3 EXR_t + \mu_t ----- 3.1$$

where:
GDPPC = Gross Domestic Product Per Capita (economic growth)
GLO = Globalization Index (proxy for trade openness and integration)
FDI = Foreign Direct Investment Inflow
EXR = Exchange Rate (Naira/USD)
β_0 = Constant term
μ_t = Error Term

To allow for the inclusion of the variables of the present study, the adopted model was modified. Economic development is proxied by the Human Development Index (HDI), while globalization is represented by degree of trade openness, foreign direct investment inflow, foreign portfolio investment inflow, and exchange rate. Hence, the functional form of the model on which our econometric model is built is specified as follows:

$$HDI = f(DTOP, FDI, FPI, EXR) -------------------- 3.2$$

The explicit form of the model is:

$$HDI_t = \beta_0 + \beta_1 DTOP_t + \beta_2 FDI_t + \beta_3 FPI_t + \beta_4 EXR_t + \mu_t --3.3$$

To ensure uniformity of measurement and reduce heteroskedasticity, the model is transformed into a log-linear form as:

$$HDI_t = \beta_0 + \beta_1 InDTOP_t + \beta_2 InFDI_t + \beta_3 InFPI_t + \beta_4 InEXR_t + \mu_t -------------------------------3.4$$

where:
HDI_t = Human Development Index
DTO_t = Degree of Trade Openness
FDI_t = Foreign Direct Investment Inflow
FPI_t = Foreign Portfolio Investment
EXR_t = Exchange Rate
β_0 = Intercept
β_1-β_4 = Parameters to be estimated
μ_t = Error term
t = Time period

A Priori Expectations
$\beta_0 > 0$, $\beta_2 > 0$, $\beta_3 > 0$, $\beta_4 = \pm$

3.4 Sources of Data

The data used for this study are annual time-series data covering the period 1990 to 2022. They were obtained from secondary sources including the Central Bank of Nigeria, annual statistical bulletin, the Central Bank of Nigeria annual reports and statement of account (various years), and the World Bank Development Indicators (various years).

4. PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

4.1 Descriptive Statistics

The descriptive statistics results presented in table 1.

Table 1: Descriptive Statistics Result

Variable	HDI	TOP	FDI	FPI	EXR
Mean	0.484121	33.36364	2.886669	8.061818	149.5994
Median	0.480000	34.31000	2.010000	3.690000	129.3500
Maximum	0.930000	55.02000	8.560000	32.89000	426.0000
Minimum	0.348000	17.86000	0.190000	0.200000	8.00000
Std. Dev.	0.096997	8.708259	2.429232	10.41163	118.2184
Skewness	2.819466	0.218674	0.832954	1.496481	0.757914
Kurtosis	14.77383	2.650474	2.577391	3.737057	2.739204
Jarque-Bera	234.3284	0.430983	4.061537	13.06398	3.252905
Probability	0.000000	0.806145	0.131235	0.001456	0.196626
Sum	15.97600	1101.000	95.26000	266.0400	4936.780
Sum Sq. Dev.	0.301070	2426.681	188.8373	3468.862	447218.8
Observations	33	33	33	33	33

Source: E-view Output

he descriptive statistics result in table 1 showed that the mean values of the variables are 0.484121, 33.36364 percent, USD 2.886667 billion, USD 8.061818 billion and N149.5994 per dollar for HDI, TOP, FDI, FPI and EXR respectively. The standard deviation statistic indicated that EXR (118.2184) is the most unstable variable while HDI (0.06997) is the most stable variable. The skewness statistic showed that all the variables are positively skewed. The kurtosis statistic showed that HDI and FPI are leptokurtic since their values are greater than 3. This suggests that they have heavier tails relative to normal distribution. On the other hand, TOP, FDI and EXR are platykurtic since their values are less than 3. This implies that they have lighter or thinner tails relative to normal distribution.

Table 2: ADF Unit Root Test Result

Variable	At Levels				At First Difference				Order Integration
	ADF Test Statistic	Critical Value		Prob.	ADF Test Statistics	Critical Value		Prob.	
		1%	5%			1%	5%		
HDI	-0.170378	-3.653730	-2.957110	0.6166	-4.879491*	-3.653730	-2.957110	0.0004	I(1)
TOP	-3.141031**	-3.653730	-2.957110	0.0334					I(0)
FDI	-1.478953	-3.653730	-2.957110	0.5312	-5.247658*	-3.661661	-2.960411	0.0002	I(1)
FPI	-2.072480	-3.653730	-2.957110	0.2564	-4.286134*	-3.661661	-2.960411	0.0021	I(1)
EXR	1.801092	-3.653730	-2.957110	0.9996	-4.980230*	-3.661661	-2.960411	0.0003	I(1)

Source: E-view Output

Note: * and ** denote rejection of the null hypothesis of unit root at the one percent and five percent levels of significance respectively.

The ADF unit root test result in table 2 indicated trade openness (TOP) is stationary at levels at 5 percent level of significance while human development index (HDI), foreign direct investment (FDI), foreign portfolio investment (FPI) and exchange rate (EXR) are stationary at first difference at 1 percent level of significance.

4.3 Cointegration Test

The result of the autoregressive distributed lag (ARDL) bounds test approach to cointegration is presented in table 3.

Table 3: ARDL Cointegration Test Result

ARDL Bounds Test			
Sample: 1992 2022			
Included observations: 31			
Null Hypothesis: No Long-Run Relationship Exist			
Test Statistic	Value	K	
F-Statistic	7.017187	4	

Critical Value Bounds			
Significance	**I(0)**		**I(1)**
10%	2.45		3.52
5%	2.86		4.01
2.5%	3.25		4.49
1%	3.74		5.06

Source: E-view Output

In table 3, since the estimated F-statistic of 7.017187 is greater than the upper bound (I1)) of 4.01 at 5 percent level of significance, the null hypothesis that no long-run relationships exist is rejected. It is therefore concluded that long-run relationships exist among the variables of the study.

4.4 Estimated Short-Run and Long-Run Regression Results

The ARDL estimated short-run and long-run regression results are reported in the upper and lower panels of tale 4 respectively.

Table 4: ARDL Estimated Short-Run and Long-Run Regression Results.

ARDL Cointegrating and Long-Run Form				
Dependent Variable: HDI				
Selected Model: ARDL (1,3,0,1,1)				
Sample: 1990 2022				
Included observations: 31				
Cointegrating Form				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(TOP)	0.002990	0.001999	1.495813	0.1511
D(TOP(-1))	0.009227	0.002651	3.480234	0.0025
D(TOP(-2))	0.001064	0.002377	0.447433	0.6596
D(FDI)	0.008574	0.006552	1.308709	0.2062
D(FPI)	-0.000743	0.002125	-0.349700	0.7304
D(EXR)	-0.001348	0.000668	-2.019393	0.0578
Coint Eq. (-1)	-0.850882	0.197869	-4.300230	0.0004
Cointeq = HDI – (-0.0025* TOP + 0.0101* FDI = 0.0043* FPI -0.005* EXR + 0.5753)				
Long-Run Coefficients				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
TOP	-0.002526	0.005704	-0.442771	0.6629
FDI	0.010077	0.008574	1.175307	0.2544
FPI	0.004299	0.003460	1.242696	0.2291
EXR	-0.000521	0.000499	-1.044775	0.3092
C	0.575342	0.234324	2.455330	0.0239

Source: E-view Output

From the short-run regression result in the upper panel of table 4, the error correction term (i.e., Coint Eq (-1)) turned up with a correct negative coefficient and it is also significant at the 0.05 level of significance. The coefficient of the error correction term is -0.850882. This means that any disequilibrium in the short-run is adjusted to stable long-run (equilibrium) trend with a speed of adjustment of about 85 percent within a year.

Also, the estimated long-run regression result in the lower panel of table 4 indicated that degree of trade openness and exchange rate have insignificant negative impact on human development index while foreign direct investment and foreign portfolio investment have insignificant positive impact on human development index.

4.5 Post-Estimation Tests

The ARDL is a linear regression model hence, there is the need to test the assumptions underlying the classical linear regression model (CLRM) for the result to be valid. The results and decisions of the tests of some of these assumptions are presented in table 5 and figure 1.

For each of the post-estimation tests in table 5, the null hypothesis will not be rejected if the probability value is greater than 0.05. As for the cumulative sum test for stability in figure 1, the estimated model will be considered stable if the plot lies within the 5 percent critical bounds.

Table 5: Post-Estimation Tests Results

| Test	Value	Prob.	Decision
Linearity (Ramsey Reset) Test			Accept Ho (The model is correctly specified)
t-Statistic	0.489055	0.6288	
F-statistic	0.239175	0.6288	
Breusch-Godfrey Serial Correlation LM Test			Accept Ho (No serial correlation)
F-statistic	0.088999	0.9152	
Heteroscedasticity (Breusch-Pagan-Godfrey) Test			Accept Ho (Model is homoscedatic, i.e., residuals have constant variance
F-statistic	0.839271	0.5120	
Normality (Jarque-Bera) Test			Accept Ho (Data normally distributed)
F-statistic	2.382447	0.303849	

Source: E-view Output
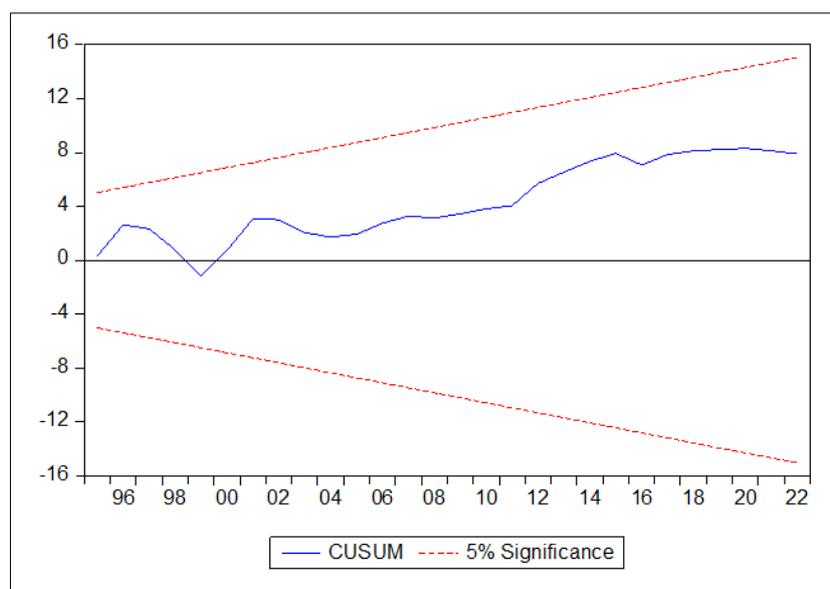
Figure 1: Cummulative Sum Test for Stability
Source: E-view Output

4.6 Discussion of Findings
Estimated Long-Run Regression Result

The estimated long-run regression result showed that degree of trade openness has insignificant negative impact on economic development. Thus, one percent increase in the degree of trade openness is associated with an average decrease of 0.002526 in human development index. The negative impact of trade openness could be attributed to the fact that the Nigerian economy is not competitive in international trade transactions, making it vulnerable to the negative effects of globalisation occasioned by opening up the economy to international trade.

Foreign direct investment inflow has insignificant positive impact on economic development in Nigeria. In terms of size, USD 1 billion increase in foreign direct investment inflow is associated with 0.010077 average increase in human development index. Similarly, foreign portfolio investment inflow has insignificant positive impact on economic development. A one billion US dollar increase in foreign portfolio investment inflow is associated with an average increase

of 0.004299 in human development index. The insignificant contribution of foreign direct and foreign portfolio investments inflows may be attributed to the general poor macroeconomic environment and poor investment climate prevailing in Nigeria during the period under investigation. This has resulted in massive divestment of foreign investments in the country.

The estimated long-run regression result also revealed that exchange rate has insignificant negative impact on economic development. Thus, ₦1 increase in the naira-dollar exchange rate is associated with an average reduction of 0.000521 in human development rate could be attributed to the ever decreasing value of the naira in terms of the U.S. dollar.

Estimated Short-Run Regression Result

From the ARDL estimated short-run regression result, degree of trade openness in the current period and its lagged value in period 2 have insignificant positive impact on economic development while the; aged value of trade openness in period one has significant positive impact on economic development. Foreign direct

investment inflow in the current period has insignificant positive impact on economic development while foreign portfolio investment in the current period has insignificant negative impact on economic development. Also, exchange rate in the current period has significant negative impact on economic development.

The estimated short-run regression result also showed that the error correction term displayed a correct negative coefficient. It is also statistically significant at the 0.05 level of significance. With an estimated coefficient of -0.850882, the economic implication is that any disequilibrium in the short-run is reconciled to long-run (equilibrium) trend with a speed of adjustment of about 85 percent in a year.

5. CONCLUSION AND RECOMMENDATIONS
5.1 Conclusions
Based on the findings of the study, the following conclusions are drawn:
i. Globalization via degree of trade openness has insignificant negative impact on economic development in Nigeria;
ii. Globalization through foreign direct and foreign portfolio investments inflows makes insignificant positive contribution to the development of the Nigerian economy; and
iii. Exchange rate induces insignificant negative impact of globalization on economic development in Nigeria.

5.2 Policy Recommendations
Based on the conclusions drawn from the study, the following policy measures are recommended.
i. In order to minimize the negative effects of globalization occasioned by trade openness on the development of the Nigerian economy, there is the need to improve the competitiveness of the economy in international trade transactions. To this end, export-promotion policies should be adopted. Such policies should aim at diversifying the country's export basket away from crude oil dominance to include more of solid minerals, agricultural and manufacturing export commodities. There is also the need to improve the quality of our export commodities through value addition. In addition, policies that will discourage the importation of commodities for which Nigeria has adequate potential to produce domestically should be introduced.
ii. To improve the contribution of foreign direct and portfolio investments to economic development, there is the need for improvement in the country's macroeconomic environment and the ease of doing business in the country. There is also the need to tackle the general state of insecurity across the country. The government should equally provide adequate infrastructure facilities that will enhance the productivity of economic enterprises in the economy. All this will help to maximize the beneficial effects of globalization on the economy.
iii. The government should adopt the best strategies to manage the exchange rate. There is also the need to discourage import and encourage export. To further strengthen the naira, the government should broaden its fiscal space by exploring other sources of revenue than to resort to external borrowing. This will reduce the cost of securing foreign exchange for debt servicing and repayments.

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