Globalisation and Nigerian Economy: Diagnosis and Prognosis

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Abstract: The impact of globalisation on Nigerian economy is the thrust of this paper. The work uses vector auto-regression method because of the variables' interrelatedness, time series data of 1970-2013 were analysed. The results of the analysis show that globalisation has no significant impact on Nigerian economic development. It is empirically evident that each of Per Capita Income, Inflation Rate, Import Volume, Export Volume, Exchange Rate, Interest Rate and Globalisation is interrelated with one another. The work therefore emphasises the need for stable and efficient economic infrastructure in Nigeria so as to tackle the challenges of this global trend called globalisation. This will pave way for efficient investment, production and finance in the face of the global mechanism and avoid arbitrariness of the powerful international market players. Hence, Nigerian economy has an ample chance of reaping the benefit of globalised market.
Keywords: globalisation, Nigerian economy, Per Capita Income, Inflation Rate.

INTRODUCTION

The Nigerian economy was pervaded by low level of domestic savings, poor technological know-how and low level of foreign earnings which had attendant effect of low level of domestic investment in the era before independence. This low level of domestic investment has its multiplier effects in form of fall in the level of output, income, employment and consumption. This started degenerating into serious economic depression in Nigeria. This, some scholars adduced to the colonial oppression during the colonial administration. As a matter of fact, the concept used for this effect is colonial hangover. For colonialists were only interested in carting away local resources without attendant domestic investment that commensurate with the resources looted out of the country[1-2].

No wonder therefore why some the phenomenon called globalisation generates much intense controversy. It is conceived to mean a real socio-geo-eco-political malignant used to devour economic structure of developing countries of the world by the western economic powers. They say globalisation is concept of colonisation that rears its ugly head in another language but the same context, though refined, so as to cajole the general populace of the third world countries[3-4]. In the opinion of these scholars, the idea of globalisation is to make the whole countries of the world a global community. Considering socio-geo-eco-political disparities, the question still

remains; can the whole countries of the world become one? This delineates the arguments on the effect of globalisation on economic development in two opposing views: protagonists of globalisation and Marxian's.

Notwithstanding, for the purpose of achieving economic development in Nigeria, the need for increased level of investment and capital formation through advanced technology arises. Hence, Structural Adjustment Programme of 1986 which had liberalisation, deregulation, privatization and commercialization as policy instruments and industrial policy adopted in 1988 which is embodied with some foreign direct investment provisions were introduced[5]. All these deviated fundamentally from 1972 and 1977 Acts, popularly known as the Indigenisation Act. The clear deviation from the past, open the economy of Nigeria to the global market.

The resultant effect of globalisation which could be evident in foreign investment is a pivot for economic development by complimenting the low level of savings and technological know-how is believed in theory by Nigerian policy makers. It is on this basis, former President Olusegun Obasanjo and successive Presidents keep wooing the foreign investors [6-7]. The foreign investment policy stipulates among other things, an extensive forms of fiscal incentives including 10% tax holiday for five years plus additional 5% provision

on depreciation beyond the initial capital, depreciation allowance for investment in disadvantage areas in addition to tax reductions for construction of infrastructure, research and development activities in Nigeria and in-plant training programmes.

In ensuring conducive atmosphere for globalisation, Nigerian government is equally striving to ensure stable and conducive macro-economic environment: political and social stability as well as attractive regulatory framework and provisions. These of course, are given serious consideration by foreign investors and technical partners in deciding whether to invest in the economy or not. However, foreign investment or foreign capital flow can either be in form of private or public investment. This of course also takes the dimension of direct and indirect investment. The indirect foreign investment otherwise known as portfolio or rental investment consists mainly of the holdings of transferable securities (issued or guaranteed by government of capital importing country), shares or debentures by the nationals of some other countries. The effect of all these on macroeconomic objectives is very important at this juncture.

It has been said that despite the perceived shortcomings of globalisation, it has brought immeasurable benefits for the economy of developing economies of the world, most especially Nigeria. Among such benefits are increased level of technology, employment, foreign exchange earnings, decreased import bills and improved balance of payment position. In other words, globalisation serves as platform and catalyst of economic development by granting access to technology and surplus resources available even at the most distant wall of the world which are hitherto deficit domestically[7].

To this end, the questions that really come to mind are: does globalisation have significant and favourable impact on Nigerian economic development? To what extent have the desired macroeconomic goals been achieved in Nigerian economy? It is not a doubting fact that some scholars have argued that globalisation would not bring the desired benefits in the developing economies of the world. To them, it is an imperialist agenda of the west coined in another name. And that the helping factor for this imperialistic agenda is the dependent nature of developing countries on imports. They also argued that there will be loss of political and economic sovereignty and the strengthening of imperial or exploitative relationship. They said it is an 'old concept of new invention'. That it is another colonisation in new clothing. This is a medium to cart away domestic resources without attendant investment and other supposed benefits[6,8-9].

One cannot but examine whether globalisation has paved way for the suppression of local entrepreneurship by developed economies of the world as viewed by some scholars. They believe that foreign investors use their monopolistic power to take the advantage of the local entrepreneurs. If globalisation retards local entrepreneurship initiatives, what can we do to salvage the fate of local entrepreneurship initiative? This is a question that remains fundamental in this research work.

Objective Of The Proposed Research Work

Broadly speaking, the impact of globalisation on Nigerian economy will be evaluated. The research work will appraise the effectiveness and efficiency of globalisation impetus such as foreign trade (value of import and value of export), Exchange rate and interest rate as well as regulatory framework for successful implementation of various policy instruments of globalisation. The research work also appraises the impact of globalisation in Nigerian economic development.

Also, the research work seeks to know whether opening the economy to the world market in context and application is a good option that could bring solution to the Nigerian macroeconomic problems of low output, low income, unemployment, low level of investment, unfavourable balance of payment and poor consumption in Nigeria.

However, the specific objectives of the research work are as follows:

1. To examine the impact foreign trade on Nigerian economic development.
2. To examine the impact globalisation on Nigerian economic development.

LITERATURE REVIEW

The review of concept of globalisation may look myopic and insufficient if its evolution in Nigeria and how it is conceptualised by scholars are not given cursory look. Globalisation which had its way into the economic literature of Nigeria as a result of the introduction of Structural Adjustment Programme in 1986 has generated controversies. Ideological differences among scholars make every attempt to conceptualise it a subject of intense controversy among scholars. One of the reasons adduced for this controversy is that explanation of the concept is done as it relates and affects individual's immediate environment.

The African leftists believe the western scholars use armed-chair approaches in analysing the issues that directly affect the African environment. This bias and superior western education in their favour, they

opine, is what the west are using as mechanism to justify and consolidate their imperialistic agenda (globalisation) in Africa [7,10-14]. However, it is pertinent to review various contribution, concept and theories both local and foreign on which this research work might anchor on.

Globalisation is bringing the economic and technological events, even at the remotest part of the globe, to the most immediate in the context of openness, integration and interconnectivity. That is, making the planet earth a single society[15]. It might be interesting that very many scholars have fundamentally used integration, interdependence, interconnectivity, openness in attempt to give meaning to the concept of globalization[7, 2,8].

This work is largely anchored on international-dependence models such as Neocolonial Dependence Model, The false-paradigm Model, Dualistic Development Thesis and Neoclassical theories: Solow Neoclassical Growth Model, Lewis Theory of Development[16-18]; Meanwhile, some authors pitch tent with neoclassical predict that economies that embrace openness in terms of globalisation enjoy higher growth rates than those who close theirs to trade and foreign investment[[7,8, 19-20].

While the leftists that identify with international-dependence revolution theories, although admit the benefits of globalisation but maintained that the said benefits come with varieties of socio-geo-eco-political pains which arise as a result of the dichotomy in the center-periphery relationship of the international political and economic arrangement[2, 21-26]. In fact, this borrows leaf from Prebisch-Singer-Myrdal Thesis that the gains from the trade have gone mainly to developed countries at the expense of the less developed leading to foreign exchange constraint[18].

However, the empirical works of reveal that there exist well-defined empirical pattern of development that should be pursued by poor economies of the world. Also, using sectors and sub-sectors as point of focus, it has empirically been evidenced in various studies conducted by various scholars that there is significant relationship between openness and economic development[8, 9, 18].

RESEARCH METHODOLOGY
Hypotheses
The proposed hypotheses for the purpose of this research work are as follows:

i. There is no significant relationship between economic development and foreign trade.
ii. There is no significant relationship between foreign trade and globalisation.
iii. Globalisation has no significant impact on Nigerian economic development.
iv. The research work provides empirical evidences on the impact of globalisation on Nigerian economic development using time series data between 1970 to date. The empirical exercise estimates the impact globalisation on Nigeria economic development using Vector Auto-regression.

MODEL SPECIFICAION
The models for the purpose of this research is modified in line with the works[[27-30].

In the model, equations for the purpose of the analysis, show the relationship between economic development measured by Per Capita Income while foreign trade will be measured by Inflation Rate, Import Volume, Export Volume, Exchange Rate and Interest Rate. Dummy is used to represent globalisation which depicts structural variation[8, 30].

$$PCI = f(IFR, IV, EV, ER, IR, GL)$$

Where in equation:
PCI = Per Capita Income
IFR = Inflation Rate
IV = Import Volume
EV = Export Volume
ER = Exchange Rate
IR = Interest Rate
GL = Globalisation

For the analysis in this work, seven functional forms of the interrelated variables are fitted in line with VAR as follows:

Linear Equations for this relationship are:

$$PCI = \beta_0 + \beta_1 IFR + \beta_2 IV + \beta_3 EV + \beta_4 ER + \beta_5 IR + \beta_6 GL + \beta_7 PCI_i + \mu \ldots\ldots\ldots..(i)$$

$$IFR = \beta_0 + \beta_1 PCI + \beta_2 IV + \beta_3 EV + \beta_4 ER + \beta_5 IR + \beta_6 GL + \beta_7 IFR_i + \mu \ldots\ldots\ldots\ldots(ii)$$

$$IV = \beta_0 + \beta_1 IFR + \beta_2 PCI + \beta_3 EV + \beta_4 ER + \beta_5 IR + \beta_6 GL + \beta_7 IV_i + \mu \ldots\ldots\ldots\ldots(iii)$$

$$EV = \beta_0 + \beta_1 IFR + \beta_2 IV + \beta_3 PCI + \beta_4 ER + \beta_5 IR + \beta_6 GL + \beta_7 EV_i + \mu \ldots\ldots\ldots\ldots(iv)$$

$$ER = \beta_0 + \beta_1 IFR + \beta_2 IV + \beta_3 EV + \beta_4 PCI + \beta_5 IR + \beta_6 GL + \beta_7 ER_i + \mu \ldots\ldots\ldots..(V)$$

$$IR = \beta_0 + \beta_1 IFR + \beta_2 IV + \beta_3 EV + \beta_4 ER + \beta_5 PCI + \beta_6 GL + \beta_7 IR_i + \mu \ldots\ldots\ldots.. (vi)$$

$$GL = \beta_0 + \beta_1 IFR + \beta_2 IV + \beta_3 EV + \beta_4 ER + \beta_5 IR + \beta_6 PCI + \beta_7 GL_i + \mu \ldots\ldots\ldots.. (vii)$$

The 'a priori' expectation is that;

$$\frac{\Delta PCI}{\Delta FT} > 0$$

Where:

PCI = Per Capita Income
FT = Foreign Trade

MODEL ESTIMATION

The Vector Auto-regression (VAR) estimation technique suggested by Gujarati and Porter [27] will be used in this proposed research work which is hypothetically specified mathematically as:

$$Y_t = A_t Y_{t-1} + \ldots + A_p Y_{t-p} + \beta X_t + \varepsilon_t$$

Where; Y_t is к vector of endogenous variables (PCI and FT), X_t

IS a vector of exogenous variable. $A_t, \ldots A_p$ and β are matrices of be estimated and ε_t is a vector of innovation.

The VAR is commonly used for forecasting system of interrelated time series and for analysing the dynamic impact of random disturbances on the system of variables. It sidesteps the need for structural modeling every endogenous variable in the system as a function of the lagged values of all the endogenous variables in the system.

The VAR form of the models above is given as:

$$PCI = a_i + \Sigma\beta_{1j} FT_{t-j} + \Sigma\beta_{ij} PCI_{t-j} + \varepsilon_{it}$$

$$FT = a_j + \Sigma\beta_{2j} PCI_{t-j} + \Sigma\beta_{2j} FT_{t-j} + \varepsilon_{2t}$$

Where β_{ij} and β_{2j} are matrices of coefficient to be estimated and ε_{it} is vector of innovation, j = 1, 2,…, k. this is the lag of each variable. The choice of preference of equation in this work would be made using Akaike and Schwartz Information Criteria[28].

Before VAR analysis was conducted, Dickey Fuller's Unit Root Test was conducted to ascertain the stationarity of the interrelated variables. Once the VAR is estimated a further analysis in terms of the impulse Responses will be conducted. The impulse Response Analysis will help us to trace the effects of shocks to the endogenous variables on the variables in VAR.

RESULTS PRESENTATION AND DISCUSSION
Stationarity Test of the Variables

Table 1: Unit Root Test (Augmented Dickey-Fuller)

Variables	Coefficient	Std. Error
PCI(-1)	-0.383382	0.186417
D(PCI(-1))	-0.258570	0.172011
IFR(-1)	-0.827614	0.197101
D(IFR(-1))	0.191314	0.166859
IV(-1)	0.470054	0.048301
D(IV(-1))	-1.502600	0.168829
EV(-1)	-0.026916	0.051096
D(EV(-1))	0.240101	0.185430
ER(-1)	-0.277257	0.129475
D(ER(-1))	-0.233235	0.160146
IR(-1)	-0.236246	0.150574
D(IR(-1))	-0.184305	0.176356
GL(-1)	-0.175026	0.103626
D(GL(-1))	0.065015	0.171892

Source: Data Analysis

From the table 1 above, the Unit Root Test of Dickey Fuller, we are able to determine the stationarity of the variables and know whether the time series are stationary or not. Hence, the null-hypothesis is rejected using the results above. As all the variables satisfied and passed the stationarity test. Although using the standard error method of significance, PCI, IFR, IV and ER are strongly stationary while EV, IR and GL are weakly stationary at first difference, hence the models do not need integration, VAR is hereby preferred to test the interrelatedness [26,27].

Vector Auto-regression Results

Table-2: Standard errors & t-statistics in parentheses

Included observations: 39 after adjusting endpoints

	PCI	IFR	IV	EV	ER	IR	GL
PCI(-1)	0.212601	-0.000143	-5.238174	-7.274517	-0.000353	7.24E-05	-6.33E-06
	(0.18259)	(0.00032)	(5.66852)	(13.6991)	(0.00055)	(8.0E-05)	(4.3E-06)
	(1.16438)	(-0.44843)	(-0.92408)	(-0.53102)	(-0.64373)	(0.90457)	(-1.48389)
PCI(-2)	0.379949	3.86E-05	6.407507	8.024658	0.000428	-0.000121	-2.74E-06
	(0.17535)	(0.00031)	(5.44372)	(13.1559)	(0.00053)	(7.7E-05)	(4.1E-06)
	(2.16684)	(0.12586)	(1.17704)	(0.60997)	(0.81185)	(-1.57042)	(-0.66857)
IFR(-1)	-182.2876	0.206465	3215.083	1173.666	-0.786757	0.090040	-0.004655
	(118.824)	(0.20767)	(3688.97)	(8915.14)	(0.35689)	(0.05210)	(0.00278)
	(-1.53409)	(0.99420)	(0.87154)	(0.13165)	(-2.20450)	(1.72812)	(-1.67577)
IFR(-2)	382.2951	-0.380682	643.3134	1003.455	0.194306	-0.068390	0.001592
	(128.208)	(0.22407)	(3980.28)	(9619.15)	(0.38507)	(0.05622)	(0.00300)
	(2.98184)	(-1.69896)	(0.16163)	(0.10432)	(0.50460)	(-1.21653)	(0.53105)
IV(-1)	0.005156	-1.04E-05	-0.316552	-0.739125	6.98E-06	3.53E-06	-9.06E-09
	(0.00769)	(1.3E-05)	(0.23885)	(0.57722)	(2.3E-05)	(3.4E-06)	(1.8E-07)
	(0.67013)	(-0.77273)	(-1.32533)	(-1.28048)	(0.30202)	(1.04717)	(-0.05038)
IV(-2)	0.002793	-1.35E-06	1.476736	0.936548	2.24E-05	-6.03E-06	-2.26E-08
	(0.00759)	(1.3E-05)	(0.23575)	(0.56975)	(2.3E-05)	(3.3E-06)	(1.8E-07)
	(0.36777)	(-0.10155)	(6.26391)	(1.64380)	(0.98282)	(-1.81102)	(-0.12708)
EV(-1)	0.000267	4.46E-06	-0.017488	1.168438	-2.19E-06	-3.43E-06	-8.07E-09
	(0.00352)	(6.1E-06)	(0.10923)	(0.26397)	(1.1E-05)	(1.5E-06)	(8.2E-08)
	(0.07580)	(0.72479)	(-0.16011)	(4.42646)	(-0.20678)	(-2.22121)	(-0.09807)
EV(-2)	-0.004629	2.97E-06	0.177571	-0.317721	-1.16E-05	3.23E-06	3.99E-08
	(0.00382)	(6.7E-06)	(0.11860)	(0.28661)	(1.1E-05)	(1.7E-06)	(8.9E-08)
	(-1.21182)	(0.44514)	(1.49726)	(-1.10853)	(-1.01247)	(1.92728)	(0.44718)
ER(-1)	82.84537	-0.014970	482.0514	5425.056	0.278165	0.027605	-0.000883
	(71.6151)	(0.12516)	(2223.33)	(5373.12)	(0.21509)	(0.03140)	(0.00167)
	(1.15681)	(-0.11961)	(0.21682)	(1.00967)	(1.29322)	(0.87908)	(-0.52742)
ER(-2)	29.58023	-0.201454	598.4960	5220.738	0.464198	0.031117	0.001297
	(72.5224)	(0.12675)	(2251.50)	(5441.20)	(0.21782)	(0.03180)	(0.00170)
	(0.40788)	(-1.58941)	(0.26582)	(0.95948)	(2.13112)	(0.97852)	(0.76516)
IR(-1)	-79.80231	0.059279	-5933.795	-10726.77	-0.583648	0.222146	-0.003517
	(470.625)	(0.82251)	(14610.8)	(35309.9)	(1.41351)	(0.20636)	(0.01100)
	(-0.16957)	(0.07207)	(-0.40612)	(-0.30379)	(-0.41291)	(1.07649)	(-0.31972)
IR(-2)	-1579.692	1.958028	10223.77	9713.653	0.526983	-0.117780	0.010141
	(352.522)	(0.61610)	(10944.2)	(26448.9)	(1.05879)	(0.15458)	(0.00824)
	(-4.48112)	(3.17810)	(0.93417)	(0.36726)	(0.49772)	(-0.76196)	(1.23062)
GL(-1)	365.6937	-11.78496	55661.54	47574.29	-2.575871	8.238844	0.800571
	(8889.13)	(15.5355)	(275968.)	(666932.)	(26.6983)	(3.89774)	(0.20780)
	(0.04114)	(-0.75858)	(0.20170)	(0.07133)	(-0.09648)	(2.11375)	(3.85264)

GL(-2)	13611.14	3.548040	-90634.82	-121834.0	27.22388	2.299173	0.000651
	(10061.5)	(17.5844)	(312364.)	(754891.)	(30.2194)	(4.41180)	(0.23520)
	(1.35280)	(0.20177)	(-0.29016)	(-0.16139)	(0.90087)	(0.52114)	(0.00277)
C	35256.88	4.308334	-174168.3	-74163.39	6.084320	11.74972	0.561028
	(15791.8)	(27.5993)	(490266.)	(1184826)	(47.4303)	(6.92447)	(0.36916)
	(2.23260)	(0.15610)	(-0.35525)	(-0.06259)	(0.12828)	(1.69684)	(1.51974)
R-squared	0.776047	0.557225	0.989690	0.979756	0.891980	0.866837	0.919275
Adj. R-squared	0.645408	0.298939	0.983675	0.967947	0.828969	0.789158	0.872186
Sum sq. resids	1.33E+09	4049.275	1.28E+12	7.46E+12	11958.94	254.8901	0.724453
S.E. equation	7432.195	12.98922	230736.3	557621.2	22.32240	3.258899	0.173740
F-statistic	5.940383	2.157398	164.5564	82.96783	14.15583	11.15929	19.52188
Log likelihood	-393.5007	-145.8719	-527.4834	-561.8972	-166.9892	-91.94539	22.38644
Akaike AIC	20.94875	8.249839	27.81966	29.58447	9.332781	5.484379	-0.378792
Schwarz SC	21.58858	8.889671	28.45949	30.22430	9.972612	6.124210	0.261040
Mean dependent	56012.26	18.27436	1042794.	1832578.	44.04471	17.73615	0.641026
S.D. dependent	12481.09	15.51333	1805910.	3114636.	53.97629	7.097294	0.485971
Determinant Residual Covariance	2.74E+32						
Log Likelihood	-1843.809						
Akaike Information Criteria	99.93894						
Schwarz Criteria	104.4178						

Source: Data Analysis

From the table 2 above, using R^2 and Adjusted R^2, the degree of endogeneity of the variables seem to be relatively high enough in equations I, iii, iv, v, vi and vii. But Akaike and Schwartz Information Criteria have preference for equations in the order of vi, ii, v, I, iii, iv accordingly. Hence, Null Hypothesis is rejected for the models but there is preference.

It should be noted that foreign trade as captured by IFR and IR have significant negative impact on economic development measured by PCI in the second lag (year) which make the null hypothesis rejected for these two variables of foreign trade (IFR, IR) while vii, IV, EV and ER do not impact significantly on the living standard in Nigerian thereby accepting hypothesis 1. It is also worth mentioning that globalisation as measured by GL does not have significant impact on Nigerian economic development, hence, hypothesis iii is hereby accepted. This contradicts the *a priori* expectation of the study.

With these results therefore, the views of classical and neo-classical theorists: Lewis and Solow are rejected for Nigerian experience while the views of international dependence theorists seem to have been supported by the results[2, 16, 17, 24, 25]. This is not unconnected with the inherent and endemic nature of Nigeria which is typical of periphery economies of the world.

Impulse Response of One S.D. Innovation

Table 3: Response of PCI

Period	PCI	IFR	IV	EV	ER	IR	GL
1	5830.293	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
	(660.151)	(0.00000)	(0.00000)	(0.00000)	(0.00000)	(0.00000)	(0.00000)
2	1085.209	-2216.522	761.1923	438.7259	1301.070	-153.0120	44.61908
	(841.245)	(888.425)	(1144.95)	(1142.78)	(838.385)	(754.507)	(850.831)
3	52.97949	3048.142	1300.290	-1098.980	1904.091	-3029.654	1898.348
	(1161.41)	(1196.77)	(1333.56)	(1474.72)	(968.336)	(785.540)	(756.685)
4	-1059.844	-405.4631	1519.599	207.6651	1505.013	-2181.067	-95.92403
	(994.076)	(1349.44)	(2113.96)	(1713.28)	(1090.46)	(896.070)	(961.066)
5	1247.257	1741.448	1999.092	-1511.455	-1096.726	-141.7981	-384.9510
	(1029.32)	(1314.85)	(2652.85)	(1744.95)	(997.029)	(764.036)	(825.779)

Period	PCI	IFR	IV	EV	ER	IR	GL
6	926.3677	2354.648	2885.523	-2329.401	92.86535	-104.7573	-670.8355
	(1103.27)	(1748.72)	(4003.42)	(1848.97)	(1133.54)	(781.070)	(852.469)
7	496.6962	2135.005	1912.320	-1414.217	-630.4155	-597.8036	-618.3914
	(1032.60)	(1761.76)	(4993.61)	(2094.68)	(1211.20)	(808.105)	(920.335)
8	477.8962	2133.528	2807.960	418.7063	-1168.126	10.41084	-451.3032
	(1112.22)	(2372.14)	(7285.66)	(2462.17)	(1323.27)	(811.503)	(917.590)
9	20.66396	2158.570	775.6175	1682.568	-816.4243	-101.3305	-340.1221
	(1030.87)	(2568.50)	(9679.30)	(2753.50)	(1446.84)	(838.967)	(983.755)
10	-530.6968	2399.127	2743.655	3621.227	-90.90825	-248.1915	-499.4632
	(1220.87)	(3556.86)	(13701.2)	(3318.87)	(1605.65)	(841.110)	(1036.13)

Table 4: Response of IFR:

Period	PCI	IFR	IV	EV	ER	IR	GL
1	-1.631815	10.05807	0.000000	0.000000	0.000000	0.000000	0.000000
	(1.62114)	(1.13885)	(0.00000)	(0.00000)	(0.00000)	(0.00000)	(0.00000)
2	-0.571978	2.240439	-1.939816	1.860951	0.102540	-0.252404	-1.437909
	(1.38159)	(1.52578)	(2.00592)	(1.98649)	(1.46063)	(1.33850)	(1.49585)
3	2.645696	-2.623113	-1.300749	2.256558	-4.137056	3.986594	-1.001905
	(1.74216)	(1.84620)	(2.09668)	(2.44104)	(1.45436)	(1.12592)	(1.17070)
4	1.534625	-0.138020	-1.828861	-0.033052	-0.792778	2.343333	1.608721
	(1.39281)	(1.99987)	(2.71427)	(2.70702)	(1.56465)	(1.27093)	(1.43408)
5	-2.203496	-1.343992	-1.415399	1.724857	1.739107	-1.284130	1.858248
	(1.39270)	(1.81678)	(3.18659)	(2.47873)	(1.49540)	(1.13397)	(1.12934)
6	-1.744324	-2.895075	-3.293494	2.732722	0.201139	-0.414631	1.497622
	(1.39700)	(2.21734)	(3.94340)	(2.65318)	(1.61706)	(1.07956)	(1.15088)
7	-0.541034	-1.752184	-0.608173	0.952114	0.227471	0.868938	0.855851
	(1.22242)	(2.18876)	(6.09871)	(2.80845)	(1.65261)	(1.11106)	(1.15972)
8	-0.493221	-1.963106	-3.281027	-1.635336	1.229768	0.244159	0.599769
	(1.30920)	(2.50392)	(7.48648)	(3.86596)	(1.63607)	(0.98939)	(1.06507)
9	-0.058938	-1.723371	1.303596	-2.359984	0.407012	0.351987	0.393965
	(1.15841)	(3.29512)	(11.4638)	(4.02695)	(1.94522)	(0.99124)	(1.09870)
10	0.450835	-2.721184	-4.428349	-4.198062	-0.388011	0.564028	0.833382
	(1.46858)	(3.48380)	(15.0220)	(4.98976)	(1.99879)	(0.97187)	(1.12315)

Table 5: Response of IV:

Period	PCI	IFR	IV	EV	ER	IR	GL
1	-40330.68	34550.06	173038.6	0.000000	0.000000	0.000000	0.000000
	(28621.9)	(27983.1)	(19592.8)	(0.00000)	(0.00000)	(0.00000)	(0.00000)
2	-29106.16	21037.80	-53211.91	-2993.000	9946.946	-10472.19	6791.385
	(24210.7)	(26898.6)	(35386.0)	(34935.8)	(25713.4)	(23472.1)	(26425.2)
3	-27193.23	56912.50	251988.7	77356.35	-6550.059	17995.45	-18846.00
	(48860.7)	(50560.4)	(52114.9)	(34415.6)	(23980.8)	(19522.5)	(21126.1)
4	-29574.29	-15206.20	-183554.1	57722.88	20905.54	9962.916	4106.070
	(47592.9)	(60835.4)	(113176.)	(59896.6)	(45001.1)	(40659.4)	(41883.5)
5	-40013.50	86427.56	419041.4	160582.2	25733.03	19570.09	-11671.60
	(84168.0)	(92629.9)	(166524.)	(69225.8)	(50242.0)	(39050.8)	(43752.2)
6	-63648.50	-105546.3	-420792.4	99433.18	80738.15	-6236.074	21876.42
	(97156.6)	(129452.)	(301756.)	(89151.6)	(82322.9)	(69605.2)	(71801.0)
7	-54247.87	116092.8	768518.9	236143.6	53645.18	31186.62	-7452.636
	(153102.)	(184262.)	(462366.)	(115817.)	(100067.)	(80511.9)	(84922.2)
8	-94123.25	-235471.9	-847759.8	55335.92	156099.7	-19279.73	52549.10
	(186192.)	(263834.)	(759187.)	(148659.)	(150530.)	(128170.)	(132551.)
9	-68730.18	215279.4	1465080.	287754.1	70244.54	49323.11	-8710.017
	(284687.)	(380121.)	(1164715)	(190251.)	(189037.)	(156262.)	(161200.)
10	-133612.8	-446738.2	-1678309.	-70872.46	230155.5	-39284.53	104007.3
	(357347.)	(544335.)	(1834673)	(270538.)	(279738.)	(240016.)	(247710.)

Table 6: Response of EV:

Period	PCI	IFR	IV	EV	ER	IR	GL
1	-68446.64	48133.75	-33227.02	428068.6	0.000000	0.000000	0.000000
	(69615.4)	(68967.7)	(68649.0)	(48469.2)	(0.00000)	(0.00000)	(0.00000)
2	-114212.3	9392.592	-173017.3	524134.0	88546.19	-20617.65	5804.642
	(104996.)	(108419.)	(121253.)	(104040.)	(62794.4)	(56647.3)	(63838.2)
3	-103878.1	-61345.18	-11504.64	508656.4	186371.4	-13203.98	-22955.72
	(126398.)	(132604.)	(125825.)	(176063.)	(88356.5)	(79633.0)	(92874.0)
4	-72787.40	-195180.9	-159098.1	346671.0	256867.8	-729.2097	-17750.78
	(137973.)	(159707.)	(200657.)	(238491.)	(112927.)	(95676.4)	(111538.)
5	-52160.84	-180008.8	225920.5	178632.1	292176.2	2089.180	8272.293
	(137273.)	(175285.)	(211343.)	(290798.)	(137890.)	(99701.7)	(120826.)
6	-69434.55	-279794.2	-74722.67	-54369.40	310883.9	-28585.78	64826.67
	(134768.)	(215827.)	(283988.)	(305345.)	(169600.)	(100760.)	(120059.)
7	-71055.74	-131851.2	594202.6	-146169.9	229027.5	-11113.67	87806.01
	(154134.)	(254523.)	(338835.)	(296925.)	(188714.)	(98478.9)	(116148.)
8	-100673.8	-218096.8	-107649.8	-325304.5	185794.2	-20736.73	137810.1
	(146022.)	(291513.)	(451981.)	(347742.)	(219538.)	(122462.)	(141673.)
9	-105684.6	98367.37	1044701.	-216203.3	47231.16	32555.01	111356.0
	(214457.)	(343315.)	(645545.)	(413658.)	(218791.)	(113457.)	(136983.)
10	-157163.1	-133511.4	-467031.6	-293020.4	39171.59	18251.64	154230.3
	(196613.)	(376352.)	(964691.)	(572396.)	(266897.)	(176018.)	(197492.)

Table 7: Response of ER:

Period	PCI	IFR	IV	EV	ER	IR	GL
1	-1.847273	-7.706315	-1.770737	3.444230	15.12751	0.000000	0.000000
	(2.79621)	(2.64834)	(2.49241)	(2.45353)	(1.71285)	(0.00000)	(0.00000)
2	-1.766641	-9.340098	0.966799	0.325051	4.723955	-1.286018	-0.314288
	(2.73059)	(2.78177)	(3.45664)	(3.46115)	(2.54363)	(2.27068)	(2.55565)
3	0.306066	-5.926602	4.459137	-5.516466	6.515920	1.352383	3.546150
	(3.16841)	(3.36262)	(3.40325)	(4.67774)	(2.47957)	(2.09392)	(2.36771)
4	-2.510003	-4.991825	5.594991	-9.674464	4.908573	-1.523019	2.993811
	(3.35205)	(4.28907)	(6.34391)	(5.77339)	(2.85469)	(2.35671)	(2.63520)
5	-1.940761	-1.977598	8.829404	-10.16959	1.535460	-0.125352	3.726943
	(3.62075)	(4.54906)	(6.85409)	(6.83406)	(3.43215)	(2.56703)	(2.96309)
6	-2.054264	-0.228178	6.736140	-9.823471	-1.560738	0.996296	3.074298
	(3.70021)	(5.87415)	(9.42769)	(7.69688)	(4.24793)	(2.78151)	(3.19600)
7	-2.282451	3.496709	10.06133	-6.478591	-3.416875	1.820126	2.730718
	(3.79857)	(6.29154)	(12.3770)	(8.27188)	(4.66921)	(2.71207)	(3.26554)
8	-3.331050	3.160232	3.149930	-1.465208	-3.964455	2.020041	2.183745
	(3.37620)	(7.41316)	(15.0886)	(10.2207)	(5.35386)	(2.90932)	(3.46275)
9	-3.773241	4.654099	8.570267	5.824352	-4.152732	2.885625	1.465486
	(3.60983)	(8.39837)	(21.9911)	(10.8815)	(5.70095)	(2.52719)	(3.17327)
10	-4.811947	1.352230	-3.766503	10.74308	-1.603687	2.750448	1.370837
	(3.52442)	(9.17933)	(28.1535)	(13.7277)	(6.01412)	(2.81314)	(3.49603)

Table 8: Response of IR:

Period	PCI	IFR	IV	EV	ER	IR	GL
1	0.748462	-0.902904	-0.307770	-0.505019	-0.744387	2.063089	0.000000
	(0.40050)	(0.37784)	(0.36208)	(0.35583)	(0.34094)	(0.23360)	(0.00000)
2	0.193771	0.277155	0.609361	-1.508216	-0.008623	0.720260	1.005239
	(0.45407)	(0.48520)	(0.58609)	(0.55725)	(0.41238)	(0.37676)	(0.39005)
3	-0.960095	-1.482481	-0.709480	-0.449813	0.151960	0.104387	1.177789
	(0.53140)	(0.53976)	(0.60185)	(0.70407)	(0.43843)	(0.39483)	(0.41744)
4	-0.720276	-0.814477	0.584500	0.104256	-0.807213	0.559066	1.256034

	(0.53023)	(0.66607)	(0.98893)	(0.88154)	(0.53088)	(0.45336)	(0.47304)
5	-0.959806	-0.766062	-1.408925	-0.129885	-0.160370	0.503247	1.093036
	(0.55793)	(0.71102)	(1.14539)	(0.98586)	(0.55077)	(0.43944)	(0.46201)
6	-0.993871	-0.274624	1.015420	0.321955	-0.203705	0.422781	0.661947
	(0.53590)	(0.87941)	(1.76991)	(1.08226)	(0.64755)	(0.45737)	(0.48890)
7	-0.735094	-1.348371	-2.761166	0.053152	-0.161136	0.636923	0.596508
	(0.69153)	(1.03288)	(2.32152)	(1.12848)	(0.70021)	(0.42146)	(0.47298)
8	-0.467019	-0.381916	2.225618	0.400990	-0.316770	0.856399	0.434183
	(0.68876)	(1.35723)	(3.62143)	(1.24325)	(0.87402)	(0.57139)	(0.61196)
9	-0.648455	-1.942360	-4.883855	-0.476248	0.245403	0.461080	0.734222
	(1.04196)	(1.66999)	(4.96958)	(1.28075)	(0.90995)	(0.56800)	(0.61613)
10	-0.504917	-0.105667	4.844838	0.489294	-0.205587	0.639502	0.468335
	(1.13763)	(2.27931)	(7.68027)	(1.52521)	(1.16525)	(0.87221)	(0.93124)

Table 9: Response of GL:

period	PCI	IFR	IV	EV	ER	IR	GL
1	-0.035063	-0.020910	0.000180	-0.002945	-0.031662	0.031795	0.122012
	(0.02146)	(0.02096)	(0.02082)	(0.02082)	(0.02051)	(0.01987)	(0.01382)
2	-0.057486	-0.054279	0.001490	-0.007076	-0.036086	0.018197	0.097679
	(0.02609)	(0.02622)	(0.03120)	(0.03123)	(0.02533)	(0.02366)	(0.02276)
3	-0.063397	-0.034854	-0.006367	0.000151	-0.030499	0.036519	0.081323
	(0.02963)	(0.03064)	(0.02829)	(0.04574)	(0.02623)	(0.02414)	(0.02505)
4	-0.067366	-0.024373	-0.014358	0.006106	-0.019025	0.033328	0.058345
	(0.03012)	(0.03722)	(0.05270)	(0.05839)	(0.02860)	(0.02476)	(0.02709)
5	-0.057607	-0.046324	-0.029848	0.022037	-0.019068	0.045433	0.042182
	(0.03028)	(0.03988)	(0.05092)	(0.06874)	(0.03327)	(0.02374)	(0.02747)
6	-0.045385	-0.058061	-0.034540	0.026158	-0.017227	0.054563	0.039143
	(0.03107)	(0.05411)	(0.07730)	(0.07033)	(0.04152)	(0.02462)	(0.02697)
7	-0.048030	-0.069952	-0.046718	0.025957	0.000754	0.047153	0.043403
	(0.03201)	(0.05911)	(0.07866)	(0.06715)	(0.04617)	(0.02413)	(0.02729)
8	-0.052838	-0.082673	-0.045238	0.026736	0.011345	0.037692	0.046574
	(0.03372)	(0.07468)	(0.11110)	(0.06746)	(0.05039)	(0.02519)	(0.02970)
9	-0.051066	-0.093823	-0.055585	0.014749	0.016418	0.035244	0.048660
	(0.03661)	(0.07604)	(0.13183)	(0.06749)	(0.04971)	(0.02687)	(0.03210)
10	-0.046734	-0.092980	-0.039036	-0.008001	0.018915	0.033636	0.048356

The table 3 to table 9 above shows the results impulse responses of each of the variables to others. The results show that one standard deviation shock of any of the variables generally does not significantly impact on any of PCI, IFR, IV, EV, ER, IR and GL though the shocks are generally unstable as well. Since they generally insignificant, the shocks are inconsequential in the models used for the research work.

CONCLUSION AND RECOMMENDATION

The study uses the Nigerian aggregate time series data of 1970 - 2010 for the purpose of analysis to achieve an in-depth investigation into the impact of globalisation on Nigerian economic development. The variables are stationary and interrelated, thus stand to explain changes in one another, hence, call for Vector Auto-regression analysis.

It is found out that the foreign trade as well as globalisation has no significant impact on economic development in Nigeria. Even the inflation and interest rates that have significant impact in the long-run, the impact is negative on the economic development of Nigeria. This might be as a result of the poor infrastructural facilities which are necessary to trigger the production capacity of the real sector of Nigerian economy. Another reason adduced is the dependence nature of Nigerian economy on the output of the western economies which theories of international dependence say is an albatross the growth of the developing economies[16]. The only output Nigeria presents for export is crude oil with attendant import of its refined products. This corroborates corruption, political environment and the dilapidated infrastructure which Akimulegun [8] and Adams [31] found to be the bane of growth potentials in Nigeria in the face of globalisation.

The findings of this study therefore accepting the three hypotheses that: there is no significant relationship between economic development and foreign trade in Nigeria, there is no significant relationship between globalisation and foreign trade in Nigeria and globalisation has not impacted significantly on Nigerian economic development. Although inflation and interest rates have impact on the economic development but the impact is a negative one. This underscore the findings of the leftists[2, 21, 22, 24, 25, 26].

The work, thus recommend:

i. Government should evolve various policies that diversify the domestic production as against the mono-product (oil) nature of Nigerian economy

ii. Provision of social and economic infrastructure so as to trigger off the investment and production in Nigeria.

iii. Much attention should be paid to the finance of real sector of the economy through the management of interest, inflation and exchange rates to the advantage of locally produced goods and services.

iv. As it is known that absolute freedom is a barrier in itself, government should build the necessary structure (legal and political framework) to guide against the economy being taken advantage of by powerful economies of the world.

v. Government should intensify effort in fighting corruption which constitutes the bane of economic of economic development in Nigeria.

vi. As these will pave way for efficient investment, production and finance in the face of the global mechanism and avoid arbitrariness of the powerful international market players. Hence, Nigerian economy has an ample chance of reaping the benefit of globalised market.

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