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Globalization and its importance in economic growth of Nigeria

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Abstract
Globalization of financial markets has changed the structure and the scope of investible funds. Emphasis is fast shifting from the domestic financial market to the International financial markets. Countries with weak and inefficient financial system seem to have been grossly affected by the growing influence of the international global trend. In other words, tie country benefits from the trend can be said to be directly linked to the state of its financial markets. The Nigerian financial system, in particular, cannot be said to be very developed, seek to concretize the view that despite the excitement generated by globalization as invitation to a world that is increasingly interconnected and borderless, Nigeria (like every other African countries) comes out at a disadvantage. Developed nations are the beneficiaries of globalization as their share of world trade and finance has been expanded at the expense of developing countries. Thus, the process exacerbates unequally between the world regions poverty in the developing world. This study recommends that basic infrastructure, enabling environment should be provided by the government so as to ensure efficient financial system. Besides, the government should make a conscious effort towards promoting information communication technology in Nigeria.

Keywords: Globalization, trade liberalization, comparative advantage

Introduction

Over the past two decades, world output has been expanding geometrically and a lot of countries are benefiting from increased cross-border trade and investments. Many countries equally suffer because economic regimes are inefficiently managed, and this shortcomings reduces their capacity to successfully compete globally. International mobility of capital, resulting from advances in communications technology and liberalization of financial markets has intensified as the world economy witnesses the emergence of market forces.

A precise definition of globalization is rarely attempted because such an attempt lead to misleading results, either over simplifying a complex, multi-dimension phenomenon or further complicating what is already complex. Obaseki, (2000) [22] defined globalization as the integration of national economies through trade and finance. A subset of globalization which has become very pervasive and, in some cases, destabilizing is financial market integration across the globe. Obada (2000) argues that globalization has proceeded throughout the course of recorded history though not in a steady and linear fashion. Human development report (2000) broadly defines globalization as a multidimensional process of unprecedented rapid revolutionary growth in the extensiveness and intensity of interconnections on a global trade scale. They further explained that global integration of countries and people; progressed in an uneven and unbalanced manner by breaking borders, collapsing spaces and time and expanding opportunities. Globalization has turned the world into a global village. However, it is generally acknowledged that modern globalization commenced in the last quarter of the 19th century and has occurred in three phases (World Bank, 2002).The first wave of globalization spans the period, 1870 - 1913. This period saw large cross-border flows of goods, capital and people. By the end of the 19th century, the world was already highly globalized with significant volumes of trade accompanied by unprecedented capital flows (Aninat, 2002; James, 1999) [2, 8]. However, the earlier attempt at modern globalization ended abruptly with the outbreak of World War 1. Consequently, the period encompassing World War I, the Great Depression of the 1930s and World War II marked a giant step back in globalization or global economic integration.

The Second Wave of modern globalization began after World War II and ended in 1980.

The period was one that focused on integration among the rich countries (World Bank, 2002) and it was characterized by lower trade barriers and further developments in transportation technology and reduction of costs. The Third and most recent wave of globalization started around 1980 and continues till today. It has been reinvigorated by the unprecedented ease with which information can be exchanged and processed as a result of breakthroughs in computer and telecommunication technologies. Thus, the phenomenon of globalization is not new. But, in recent years, as Obadan (2003) [13] has observed, the phenomenon has intensified in its ramifications and become a very important issue for discussion in various fora. The present era has the distinctive features of shrinking space, shrinking time and disappearing borders which are linking people's lives more deeply, more immediately than ever before. There has also been unprecedented global economic integration.

Literature review

Dimensional Concept of Globalization

The concept of globalization has projected in different dimensions. Fabozzi, *et al.* (2002), defined globalization as the integration of financial markets throughout the world into an international financial market. He went further to emphasize the factors that have led to the integration of financial markets as increased institutionalization of financial markets, technological advancement for monitoring world markets, executing orders, and analyzing financial opportunities, deregulation or liberalization of markets and activities of market participants in key financial centres of the world. Although Caselli (2004) [3] is of the view that "we still await a definition of the phenomenon (globalization) which meets the approval of the majority of scholars", his own definition provides a fairly comprehensive view of the phenomenon. To him, globalization is a set of processes which (a) increases the number and heightens the intensity of contacts, relations, exchanges and dependence and interdependence relationships among various parts of the world;

(b) transforms the importance of 'space' and 'time' with respect to those relations and relationships;

(c) increases and spreads awareness among the planet's inhabitants of the existence of those relations and relationships, as well as of their importance for their personal lives" (Caselii, 2004). Fischer (2000) [7] observes that to economists, globalization means "the on-going trend toward greater economic integration among nations" while in terms of people's daily lives, it "means that the residents of one country are more likely now: to consume the products of another country; to talk on the telephone to people. Olusanya, (1993) [23] defines globalization as a worldwide movement from local to universal socio-economic system aimed at the unification of the world markets. As a result of this unification, the world is reduced to a global village. However, globalization is not just an economic phenomenon which integrates world economies but also of culture, technology and governance. It also has religious, environmental and social dimensions. In other words, globalization is multi-faceted (Daouas, 2001) [4] National policy-making has also been globalized as a result of the liberalization of financial markets, developments in technology and the activities of global institutions such as the World Bank, IMF and World Trade Organisation (WTO). Among the other dimensions of globalization, cultural globalization has elicited/emotional reactions and controversy. No doubt, the globalization of culture allows people to experiment with alternative models of development while at the same time borrowing ideas and practices from other cultures and institution. But there is the fear that cultural globalization would drive out weak or less competitive cultures, sacrifice cultural diversity and creativity and impose a universal monocultural world.

Economic Globalization

Economic globalization has tended to receive greater attention, especially in view of its rapid pace since the past five decades (Guadan, 2003). Economic globalization refers to the process of integrating economic decision making as the consumption; investment, and saving process all across the world. This simply means that globalization is a process of creating a global marketplace which, increasingly, all nations are forced to participate. The most dramatic features of economic globalization are liberalisation of trade in goods and services and increasingly unrestricted flow of capital (James, 1999) [8]. Indeed, openness and markets constitute the platforms of economic globalization, while trade, finance and investment, and entrepreneurs are the heart (Kiggundu, 2002). The countries most active and benefiting most from globalization are the same ones with the largest share of global trade and investment. Trade and investment remain the principal key for creating and distributing wealth among and within nations.

According to Obadan and Obioma (1999), economic globalization has produced a world economy, characterized by trade liberalisation, spread of international trade, financial and production activities, integration of financial markets, the growing power of transnational corporations and international financial institutions and their monopolization of economic resources, and rapid diffusion of advanced technologies. This means that countries lacking institutional capacity for global trade and investment find it difficult to meaningfully participate in economic globalization.

Drivers of Economic Globalization

There are four main drivers of financial globalization; government, borrowers, investors, and financial institutions. (Schmukler, 2003). Each of them is helping countries become more financially integrated.

Governments

Governments are one of the main agents of financial globalization. Governments allow globalization by liberalizing restrictions on the domestic financial sector and the capital account of the balance of payments. In the past, government used to regulate the domestic financial sector by restricting the allocation of credit through controls on prices and quantities. Very importantly, government cannot, and should not, assume a mere passive role in the process of development, for market forces, by themselves, cannot overcome the deep seated structural rigidities in the economies of developing countries. Today, against the background of a mixed economy, the strategy of development should be midway between laissez-faire capitalism and socialism. In order to avoid problems, it is desirable to have the right balance by not moving too far on either side. Infrastructure and services which include national defence, maintenance of law and order, and the administration of justice, are also necessary to support private sector investment; providing policy intervention to achieve macroeconomic stability and allow for steady economic growth. Indeed, unfettered operation of the market mechanism can engender highly unstable situation reflected in severe fluctuations in income and employment over the course of business cycles; avoiding the experience of unguarded application of the market mechanism which only succeeds in creating far-reaching distortions, exacerbating the problems of income distribution and heightening social tension without achieving any growth and development; making markets work through appropriate rules and regulations, and undertaking corrective interventions where there are market failures;

Borrowers and Investors

Borrowers and investors, including households and firms, have also become main agents of financial globalization. By borrowing abroad, firms and individuals can relax their financial constraints to smooth consumption and investment. The firms can expand their financing alternatives by raising funds directly through bonds and equity issues in International Markets thereby reducing cost of capital, expanding their investor base, and increasing liquidity. As argued by Feldstein (2000) [7], borrowing countries not only benefit from new technological know-how, management and employee training. More financing alternatives help foreign investors overcome direct and indirect investment barriers. International investors, as argued in Obstafeld (1994) have taken advantage of financial globalization to achieve cross-country risk diversification. If developing countries are to grow faster than developed economies, lenders can expect to obtain higher returns for their investment. As a consequence of the liberalization of financial markets, both institutions and individuals in developed countries can now easily invest in emerging markets through buying shares of international mutual funds (including global, regional, and country funds).

Financial Institutions

Financial institutions, through the internationalization of financial services are also a major driving force of financial globalization. As discussed by the International Monetary Fund, (2000), changes at the global level and changes in both developed and developing countries explain the role of financial institutions as a force of globalization. At a global level, the gains in information technology have diminished the importance of geography, allowing international corporations to service several markets from one location. As discussed in Crockett, (2000), the gains in information technology have had three main effects on the financial services industry.

1. They promoted a more intensive use of international financial institutions.
2. They led to a major consolidation and restructuring of the world financial services industry.
3. They gave rise to global banks and international conglomerates that provide a mix of finance and services in broad range of markets and countries, blurring the distinctions between financial institutions and the activities and markets in which they engage.

Globalization and trade Liberalization

Trade liberalization has been at the heart of WTO negotiations and agreements, and entails the removal of import quotas and other quantitative restrictions, abolition or reduction of the level and dispersion of import tariff rates, removal of export taxes, removal of protection for local industries and export subsidies, elimination of non-tariff barriers, and devaluation of the local currency (Obadan and Obioma, 1999; Shaffaedin, 1994). However, Khor (2001) [10] has observed that "the conventional view that trade liberalisation is necessary and has automatic and generally positive effects for development is being challenged empirically and analytically. Rodrik and Rodriguez (1999) [26] have done exactly this and expressed skepticism on the studies that have found a positive relationship between trade liberalisation and economic growth, on methodological grounds. The implication of both studies is the need to formulate appropriate approaches towards trade policy in developing countries. Trade liberalisation was one of the hallmarks of the structural adjustment programme (SAP) in Nigeria, and it entailed import liberalisation, market determination of exchange rates, free marketing of export commodities, etc. The implementation of the policy acquired greater significance in the 1990s with the conclusion of the Uruguay Round (UR) of Multilateral Negotiations and the emergence of the World Trade Organisation (WTO). In Nigeria, the data provided by the Central Bank of Nigeria shows that major current and capital account transactions in the economy have been substantially liberalized (Table 3.1) although minor administrative restrictions may be noticed in a few transactions. There has been an extensive debate on the economic rationale for trade liberalisation (UNCTAD, 1993 and 1997) [28]. The rationale is commonly based on the view that liberalisation would lead to more efficient use and allocation of resources through, inter alia, the exposure of the domestic economy to world market disciplines and better access to state-of-the-art technologies (Obadan, 2005c) [21] And to Ajayi (2001) [1] "the appeal of a more open economy is based on simple but powerful premise: economic integration will improve economic performance. Additionally, globalization will offer new opportunities such as expanded markets and the acquisition of new technology and ideas - all of which can yield not only increased production but also higher standards of living. The promise of economic success through adjustment, together with the marginalization of the least developed countries in the context of global private capital flows and their dependence on debt relief and aid, explains why the less Developed Countries (LDCs) have gone further than other developing countries. The liberalisation process in many developing countries occurred without any prior preparations to ensure that domestic industries were ready to face exposure to international competition. A sudden roll back of trade protection, together with devaluations, demand restraint and removal of subsidies, and hikes in interest rates tended to lower capacity utilisation in industry and gradually erode the industrial base. Thus, many poor countries have found that trade liberalisation has produced negative results for their economies or has marginalized them. While the import propensity of most developing countries increased sharply as a result of liberalisation, exports failed to keep pace

The benefits of economic globalization in sub-saharan Africa

The benefits of economic globalization cannot be over-emphasized. In sub-saharan Africa where many people live below a dollar per day, it is pertinent to embrace globalization so as ensure economic growth. The benefits include:

1. Reduction in the Cost of Capital through Better Global Allocation of Risk:

International asset pricing models predict that stock market liberalization improves the allocation of risk (Henry, 2000), and Stulz (1999). Increased risk sharing opportunities between foreign and domestic investors might help to diversify risks. This ability to diversify in turn encourages firms to take on more total investment; thereby enhancing domestic stock market which becomes more liquid and could further reduce the equity risk premium, thereby lowering the cost of raising capital for investment.

2. Transfer of Technological and Managerial Know-How:

Financial integrated economies seem to attract a disproportionately large share of foreign direct investment inflows, which have the potential to generate technology spillover and to serve as a conduit for passing on better management practices. This spillover can raise aggregate productivity in Sub-Saharan Africa and in turn, boost economic growth (Prasad *et al.* 2003) [25].

3. **Simulation of Domestic Financial Sector Development:**

It has already been noted that international portfolio flows can increase the liquidity of domestic stock markets. Increased foreign ownership of domestic banks can also generate a variety of benefits (Levine, 1996) [11]. Firstly, foreign bank participation can facilitate access to international financial markets. Second, it can help improve the regulatory and supervisory framework of the domestic banking industry. Third, foreign banks often introduce a variety of new financial instruments and techniques and also foster technological improvements in domestic markets. 4. Commitment to Better Economic Policies: International financial integration could increase productivity in an economy through its impact on the government ability to credibly commit to a future course of policies. More specifically, the disciplining role of financial integration could change the dynamics of domestic investment in an economy to the extent that it leads to a reallocation of capital towards more productive activities in response to changes in macroeconomic policies. National governments are occasionally tempted to institute predatory tax policies on physical capital. Financial opening can be self-sustaining and constraints the government from engaging in such predatory policies in the future such that the negative consequences of such actions are far more severe under financial integration.

Nigeria and the Global Economy

Nigeria has not been spared from the phenomenon of globalization. Although the adverse consequences have not been pronounced/ the fact remains that Nigeria has become relatively more integrated with the global economic system. The tempo intensified with the policy shift from trade and exchange controls to economic liberalization from 1980 (Obaseki, 2000) [22]. Nigeria is highly dependent on-external trade, while rapid inflow of capital has been stemmed largely as a result of relatively underdeveloped state of the financial markets. To determine the extent of openness of the Nigerian economy, trade flows involving the country and the rest of the world could be analysed. The share of total trade output or Gross Domestic Product (GDP) can be applied to measure the openness of the Nigerian economy. On the basis of this methodology, Nigeria's economy recorded increased openness between 1986 and 1987, reflecting a movement from 0.21 to 0.64 during the period. The trend showed a decline in 1988. The trend mirrored adequately the performance of the Structural Adjustment Programme (SAP) introduced in 1986. The openness index nudged upwards, reaching 1.70 in 1990. A further improvement was recorded in 1995 when 16.5 were recorded. This rose successfully, reaching 18,80 in 1997, before declining to 14.06 in 1998. The drop recorded in 1998 was accounted for by the decline in both export and import from their levels in the preceding year. Although the Nigerian economy has become more open over the years, its share of world trade has remained relatively low. The share of Nigeria's exports in total world export was below 1 percent in the period 1970 to 1998, except in 1976, 1977, 1979 and 1980 when 1.1, 1.1, 1.1, 1.1, and 1.4 percent were recorded, respectively. The low share of Nigeria's imports in total world import trade was partly accounted for by the low export capacity of the economy. The undue dependence of Nigeria on crude oil exports has limited the scope for the diversification of the economy, while at the same time exposing the economy to shocks in the international oil markets. However, the Internationalization of Nigeria's financial markets should be preceded by a strong domestic economy and a competitive external sector, with a preponderance of manufacturing exports. At current state, Nigeria's share of global trade is rather low, indicating the country's uncompetitive position in the context of globalization in goods and services. In the area of financial integration, Nigeria is a late starter. The domestic financial markets are still rudimentary and the rate of economic growth has not been encouraging even with the adjustment efforts. The emigration and immigration of capital which largely indicates the performance of an economy, given that a high and sustained non-infiationary rate of economic growth had been achieved, has eluded us in setting our goals and priorities owing to the unattractiveness of the domestic financial markets.

The problem of labour market integration also applies to Nigeria. However, many highly skilled Nigerians have migrated to other African countries where their skills are required. This pattern follows what has been established in other regions of the world. The problem with labour migration as it affects Nigeria is that highly skilled personnel that are in short supply in the country are moving out in search of better opportunities. Labour migration in the industrial countries releases only the portion of labour that is in excess. Thus, the country of origin is not disadvantaged.

Model Specification

The following models have been specified so as to relate globalization to economic growth in Nigeria, the model specified for the study is as shown below: Model 1

RGDPPC = f (, EXCR, EDEBT, BOT,)
RGDPPC = $\alpha 0$ + + $\alpha 2$EXCR + $\alpha 3$EDEBT + $\alpha 4$BOT + + e1
$\alpha 0 > 0$ $\alpha 2 > 0$ $\alpha 3 < 0$, $\alpha 4 > 0$, > 0

Where:
RGDPPC = Real Gross Domestic Product per capita
EXCR = Foreign exchange rate of US$1 to N1 (%)
EDEBT = External debt to international organizations (Nbillion) BOT **=** Balance of trade statement (Nbillion)
$\alpha 0$ and $\beta 0$ = Constant
$\alpha 1$, $\alpha 2$, $\alpha 3$, $\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$ are parameters or slope of the independent variables e1 = error term.

Data Source

Data for this study is be obtained from secondary sources such as the publication of Central Bank of Nigeria (CBN) Statistical Bulletin (2019), economic journals and textbooks.

Method of Analysis

The Ordinary Least Squares (OLS) technique will be employed to ascertain the degree of association between the dependent and the independent variables. Salvatore and Reagle (2002) asserted that the OLS has certain optimal properties which make it the best in the class of linear estimators. Moreso, the Augmented Dickey Fuller (ADF) test will be carried out to test the stability of the time series data of the variables. The Johansen Co-integration and Error Correction Model (ECM) will be carried out to determine the long-run relationship between the variables as well as the speed of correction in disequilibrium resulting from shocks respectively. Lastly, the Pair-wise Granger Causality Test will be carried out to test the causal relationship between globalisation and economic growth in Nigeria. The Econometric-view (E-view version 7) was used to run the regression in the study.

Results

Unit Root Test

To test for the stationarity of the series, the unit root test was carried out using Augmented
Dickey Fuller (ADF) statistics. The result is presented in Table 1.

Table 1: Unit Root test result on the Series (E-view version 7 output)

Series	ADF statistics	Critical values		Order of Integration
		1%	5%	
GDPPC	-3.143	-3.644	-2.954	I(1)
FDI	-6.121	-3.643	-2.957	I(1)
EXCR	-5.377	-3.654	-2.957	I(1)
EDEBT	-3.789	-3.653	-2.957	I(1)
BOT	-4.322	-3.654	-2.957	I(1)
NETODA	-3.132	-3.646	-2.954	I(0)

Table 1 showed the test for unit root in the series with Augmented Dickey Fuller (ADF) statistics. Results from the table showed that NETODA was stationary or integrated at level i.e I(0) while the other series were stationary or integrated in their first differencing i.e I(1).

Co-integration Test

Two variables are cointegrated if they have a long-run or an equilibrium relationship between them (Gujarati, 2004). The Johansen (1991) likelihood ratio test statistics, the trace and maximum eigenvalue test statistics, were utilized to determine the number of cointegrating vectors. The decision rule is to reject the null hypothesis if the probability (p-value) is less than 5% (0.05). Otherwise, we do not reject. The result of the cointegration is summarized in the Tables 2.

Table 2: Cointegration Rank Test (Trace and maximum Eigen value) on the Series

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.889922	180.9721	95.75366	0.0000
At most 1 *	0.879243	110.3619	69.81889	0.0000
At most 2	0.502297	42.71480	47.85613	0.1397
At most 3	0.324301	20.38674	29.79707	0.3970
At most 4	0.217189	7.842489	15.49471	0.4824
At most 5	0.000213	0.006828	3.841466	0.9336

Series: GDPPC, EXCR, EDEBT BOT Lags interval (in first differences): 1 to 1
Unrestricted Cointegration Rank Test (Trace)
Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.889922	70.61012	40.07757	0.0000
At most 1 *	0.879243	67.64715	33.87687	0.0000
At most 2	0.502297	22.32806	27.58434	0.2040
At most 3	0.324301	12.54425	21.13162	0.4949
At most 4	0.217189	7.835661	14.26460	0.3956
At most 5	0.000213	0.006828	3.841466	0.9336

Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

From Table 2, the trace statistic and maximum eigenvalue statistic, the first and second null hypotheses at 5% level of significance were rejected based on our decision rule that the probability value(s) are less than 5% (0.05). The trace and maximum eigen value statistics revealed that there are two cointegrating equations or vectors among the variables. Therefore, there is a long run relationship among the variables in the model. The existence of the Cointegration vectors justifies the need to test for the short run dynamism of the model using Error Correction Mechanism (ECM).

Error Correction Mechanism (ECM) result

To determine how quickly the variables converge to equilibrium (i.e. the speed of adjustment back to long-run equilibrium after a short-run disturbance), the Error Correction Mechanism was employed.

Table 3: Error Correction Model (ECM) result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.86013	19.06350	0.674594	0.5059
D(FDI)	-5.77E-05	0.000324	-0.177798	0.8603
D(EXCR)	0.648345	1.666138	0.389130	0.7003
D(EDEBT)	-3.30E-05	3.85E-05	-0.855656	0.4000
D(BOT)	9.02E-05	3.41E-05	2.647256	0.0136
D(NETODA)	-4.43E-09	8.93E-09	-0.496440	0.6238
ECM(-1)	-0.330629	0.130194	-2.539508	0.0174
R-squared	0.290569	Mean dependent var		27.24821
Adjusted R-squared	0.126854	S.D. dependent var		103.1627
S.E. of regression	96.39758	Akaike info criterion		12.16067
Sum squared resid	241604.8	Schwarz criterion		12.47811
Log likelihood	-193.6511	Hannan-Quinn criter.		12.26748
F-statistic	7.748443	Durbin-Watson stat		1.789166
Prob(F-statistic)	0.000079			

Dependent Variable: D(GDPPC) Method: Least Squares
Date: 5/08/21 Time: 14:13
Sample (adjusted): 1988 2021
Included observations: 35 after adjustments

Results in Table 3 indicated that the ECM coefficient of -0.3306 is correctly signed and statistically significant at 0.05 level of significance (p<0.05). This showed that if there is a shock or perturbation leading to disequilibrium, the system will restore itself back to equilibrium with a speed of adjustment of approximately 33%. The coefficients of all the regressors are statistically insignificant with exception of balance of trade (BOT). The result showed that balance of trade (BOT) had positive and significant relationship with gross domestic product per capita.

Conclusion

Globalization has fortunately broken the barriers to capital flows and no country needs depend on its domestic savings for development. In line with this phenomenon, Nigeria has in the last few years made commendable efforts at opening its borders to foreign capital flows by the repeal of certain Decrees/Acts which were hitherto acting as hindrance to the inflow of capital. In the specific case of Nigeria, the economy is relatively open and liberalized. Yet, it has not integrated with the world economy in any meaningful way. Its shares of world trade, global capital flows and world output are very low. The country's export growth performance has been very poor compared to the achievements of some other developing countries. Also, a significant proportion of the capital inflows that Nigeria attracted are in the form of loans which the country mismanaged or diverted in the service of corruption, thus resulting in an external debt crisis and a debilitating debt burden. This burden tended to depress investment and reduce economic growth. Although, globalization has had some positive effects on the economy, especially through the oil sector, there seems to be a consensus that the positive impact has been negligible considering macroeconomic indicators such as growth, poverty and other social indicators. Nigeria is not one of those successful newly globalizing cases as China, India, Singapore, Mexico that have shifted to manufactured exports and reduced poverty significantly. Nigeria must do what some other developing countries have done to participate meaningfully and beneficially in the globalization process so as to make it inclusive, growth enhancing and poverty-reducing. This means adequate preparation of its economy, implementing sound and sensible policies, building capacity and ensuring appropriate government intervention in the economy.

Recommendations

The world is a global village therefore it behooves on the government of Nigeria to join the bandwagon of technology innovators. This study recommends as follows:

- External debt from international organizations, clubs and multinationals should always be serviced as at when due to avoid pilling debt burden that crowds out the nations' income.
- Trade policies needs to be formulated to enhance the competitiveness of her basic industries, support local manufacturing and increase nation's chances of increased gross domestic product per capita.
- Computer Appreciation and Training should be intensified in our various schools especially in primary and post-primary schools which will stimulate their interest in technological advancement.
- Basic infrastructure and friendly business environment-should be put in place for effective operations of Nigerian Financial Markets.
- There should be constant and comprehensive regulation of Nigerian Financial Markets so as to curtail insider trading.

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