



The Growth Stimulating Role of Economic Globalization on Emerging Countries in Africa: Nigeria in Perspective

Dumani Markjackson

Department of Banking and Finance, Federal Polytechnic, Ekowe, PMB 110, Yenagoa, Bayelsa State, Nigeria. abinami1990@gmail.com

Abstract

This study was carried out due to the varied views on the impact of economic globalization on economic growth in emerging countries. Some scholars are of the view that economic globalization intensify economic growth based on empirical findings and theoretical conjectures; others, albeit, in the minority, hold the view that it increases the gap between the haves and the have not's between countries. Thus, this study observed these positions and specifically examined the impact of foreign direct investment on agriculture and manufacturing sectors plus the degree of trade openness on real gross domestic product from 1981 to 2016 in Nigeria. Secondary time series data was collated for the analysis and estimation. The ex-post facto research design was adopted to explain the impact of the explanatory variables on the dependent variable in retrospect. The Augmented Dickey Fuller test was employed to solidify the series, which integrated at first difference, Johansen co-integration test for the long run relationship, which reported two long run equilibrium relationship, and the error correction technique for the estimation of the model were adopted. The empirical findings reveal that the measures of capital inflow and trade have a positive and significant impact on economic growth in Nigeria. This study, therefore, offers additional credence to the role economic globalization plays in economic growth. The study suggests that measures should be taken to encourage production of goods in which the nation has comparative and competitive advantage over its trading partners and stabilization policies be implemented to encourage investment sustainability.

Keywords: Foreign direct investments, degree of trade openness, economic globalization, Nigeria