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# An Assessment of the Impact of Globalization on Economic Growth in Nigeria (1980-2016)

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ABSTRACT
The topic of this research work is an Assessment of the impact of globalization on economic growth in Nigeria covering the period 1981-2016. The objectives of study are; to find out the impact of trade openness on economic growth in Nigeria, to ascertain the impact of foreign direct investment on economic growth in Nigeria. Time series data obtained from the Central Bank of Nigeria statistical bulletin was used. The methodology adopted in the study is the linear regression with the application of ordinary least squares and the Granger causality method, Augmented Dickey Fuller (ADF) statistic at 5% level of significance was used in testing unit root stationarity. All variables adopted are stationary at first difference or order one. Hence all the data are integrated at the first order. Findings from the research revealed that Trade openness has significant impact on economic growth in Nigeria, foreign Direct Investment (FDI) has no significant impact on economic growth in Nigeria and there is causality relationship between trade openness and economic growth in Nigeria. It is therefore the recommendations of this research that Nigeria should increase its policies geared towards harnessing the presence of Foreign Direct Investments (FDIs) especially the habitual act of foreign investors repatriating their profit to their mother countries instead of reinvesting them in the host country, in this case Nigeria. Also the federal Government of Nigeria should drastically minimize engaging in external borrowings and diversify its revenue base.
Keywords: Impact, Globalization, Economic Growth, Nigeria

## INTRODUCTION

The conventional view of globalization is that it means the interaction of a country/economy with the outside world [1,2,3,4]. It is the increasing tendency towards integration of countries into the world economy as well as contacts among enterprises, institutions and peoples across national boundaries [5,6,7,8]. All the countries in the world today are faced with the realities of increased integration of the world trades facilitated by the rapid growth of information technology and the opening up of the hitherto closed societies and economies [9]. With the advent of globalization and especially since the end of World War II, the World has become a much smaller place where interaction between different countries has led to a situation where a country's economy and development are not only in the hands of the ruling government but is highly influenced by international organizations and international trade where international rules and legislations reign. Globalization is a highly controversial process which has come under much criticism in its current capitalist form and comes to a surprise to Economists and Policy makers, who are highly convinced of the benefits this form of globalization can bring to the developing world [10,11,12].

Furthermore, globalization is a phenomenon which has been embraced by all nations and shaped the global world. Although globalization is not new, it has intensified in its ramifications in recent years and become a very important issue for discussion in various forums as it began to occur at an increasing rate over the last 20-30 years under the framework of General Agreement of Tariff and Trade (GATT) and World Trade Organization (WTO) by [13]. Globalization is the increasing economic integration and interdependence of national, regional and local economies across the world through an intensification of cross border movement of goods, services, technologies and capital. [14], sees globalization as a process of integrating economic decision making such as the consumption, investment and saving process across the world. Globalization is therefore seen as a situation where the world is viewed as a single market in the acquisition, utilization and development of productive resource. There exist as a single competitive market for all business transaction [15,16,17,18].

In line with globalization policy, the Nigerian Enterprises Promotion Act, which hitherto regulated the extent and limits of foreign participation in diverse sectors of the economy, was repealed in 1995 [19,20]. The principal laws regulating foreign investments now are the Nigerian Investment Promotion Commission Decree and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree, both enacted in 1995 [21,22,23,24]. Also, given the need to stabilize the banking and financial sectors, and promote confidence in these vital institutions, the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Decrees of 1994 were put in place [25,26,27]. The Investment and Securities Decree was also promulgated to update and consolidate capital market laws and regulations into a single code. Nigeria's current policy thrust is, therefore, anchored on a guided de-regulation of the economy as being experienced in most parts of the world and, indeed, in globalized economies [13]. Today, the Nigerian government is dis-engaging from activities which are private-sector oriented, leaving government to play the role of facilitator, concentrating on the provision of incentives, policy and infrastructure that are necessary to enhance the private sector's role as the engine of growth. The study is necessary because it helps in determining the impact or gains of foreign direct investment in Nigeria economy. Based on the foregoing, this study is focused on carrying out an empirical assessment of the impact of globalization on economic growth in Nigeria covering the period 1981-2016.

## Statement of the Problem

Today as part of moving with the globalization trend and trade liberalization, Nigeria is a member of and signatory to many international and regional trade agreements such as International Monetary Fund (IMF), World Trade Organization (WTO), and Economic Community of West African States (ECOWAS), etc. The policy response of such economic partnership on trade has been to remove trade barriers, reduce tariffs and embark on outward-oriented trade policies. However, economic growth in Nigeria has been disappointing. Despite her large market size ranked 32nd position, which should give her significant economies of scales in production and attract investors, Nigeria still relies heavily on importation of consumable goods with level of poverty. The world economic forum, using her Global Competitive Index introduced in 2004, placed Nigeria on 120th of 148th poorest nation, using 12 pillars of competitiveness namely- Institution, Infrastructure, Macroeconomic environment, Health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication and innovation. Food import-export gap has widened. Balance of Payments (BOP) has been under pressure as a result of external debt service burden. Despite implementation of trade liberalization measures taken, reduction in external debt and debt services, some macroeconomic indicator show a poor performance of the economy characterized by infrastructure inadequacy, widespread corruption, inefficiency in the public sector, low degree of savings, low capital formation and capacity underutilization.

## Research Questions

In the course of this study, the following research questions will be addressed.

1. To what extent has Trade openness contributed to economic growth in Nigeria?
2. What level of impact does foreign direct investment have on economic growth in Nigeria?
3. What is the causality relationship between trade openness and economic growth in Nigeria?
4. What is the causality relationship between foreign direct investment and economic growth in Nigeria?

## Objectives of the Study

The general aim of this study is to carry out an assessment of the impact of globalization on economic growth in Nigeria. In line with this, the specific objectives are thus:

1. To find out the impact of trade openness on economic growth in Nigeria.
2. To ascertain the impact of Foreign Direct Investment on economic growth in Nigeria.
3. To evaluate the causality relationship between trade openness and economic growth in Nigeria.
4. To ascertain the causality relationship between foreign direct investment and economic growth in Nigeria.

## Hypotheses of the Study

In line with the objectives of the study, the following hypotheses will be tested:

Ho: Trade openness has no significant impact on economic growth in Nigeria.

Ho: Foreign Direct Investment has no significant impact on economic growth in Nigeria.

Ho: There is no causality relationship between trade openness and economic growth in Nigeria.

Ho: There is no causality relationship between foreign direct investment and economic growth in Nigeria.

## Significance of the Study

The significance of this study reveals its importance to the body of knowledge.

This study will be of great relevance to the government as its findings will spur more directed policies that will boost economic growth in the economy through the instrumentality of globalization. Students will also find this study of great relevance as it will expand their horizon on the concept of globalization and economic growth. This study will also be relevant to other researchers who are studying related area.

## Scope of the Study

This study is focused on assessing the impact of globalization on economic growth in Nigeria covering the period 1981-2016. The variables scope for globalization are trade openness, foreign direct investment, external debt and exchange rate while; Real Gross Domestic Product will be employed to measure economic growth. The choice of the period 1981-2016 is to have an elaborate discussion on the research work. The independent variables which include: trade openness, foreign direct investment, external debt and exchange rate are chosen because they most influential variables to research work. Other less influential variable are captured by stochastic error term.

# METHODOLOGY

## Research Design

The investigation employed the expo-facto design. This is because the researcher had no control over the data and variables used in the investigation. This study makes use of econometric procedure in estimating impact of globalization on economic growth in Nigeria.

## Theoretical Framework

The theoretical anchor of this study is the Hyper Globalist Theory (HOT). The theory asserts that guided by the self-enforcing growth of global markets and technological progress, globalization inexorably destroys all previously established hierarchical structures. The role of the nation-state in this context is also significantly diminishing. Multinational corporations concentrate vast resources, and become the main carriers of economic activity on a global level. This creates a global civilization in which the market is integrated on the world level, multinational companies are becoming major actors in the economic process and international institutions substitute the role of national states.

## Model Specification

Following the works of [6], globalization variables in this study is proxied by trade openness, foreign direct investment, external debt and exchange rate will serve as the independent variables while economic growth captured with Gross Domestic Product (GDP) will serve as the dependent variable. The model is specified thus:

$$GDP = \beta_0 + \beta_1 TOPN + \beta_2 FDI + \beta_3 EXD + \beta_4 EXR + \mu$$

Where,

GDP = Gross Domestic Product

TOPN = Trade Openness being the ratio of the sum of imports and exports to GDP

FDI = Foreign Direct Investment

EXD = External Debt

EXR = Exchange Rate

Bo = The Constant Term

Bl, B2, B3, and B4 = The structural parameters of the independent variables

$\mu$ = The Stochastic Error Term.

To actualize the third and fourth objectives, the granger causality model is specified thus:

$$GDP_1 = \beta + \sum_{i}^{n} \eta_i GDP_{t-i} + \sum_{i=1}^{n} \gamma_i TOPN_{t-i} + \sum_{i-1}^{n} FDI_{t-i} + \sum_{i-1}^{n} EXD_{t-i} + \sum_{i-1}^{n} EXRt + \Omega \text{.............................}(3.2)$$

$$TOPN_1 = \varphi + \sum_{i}^{n} \theta_i TOPN_{t-i} + \sum_{i=1}^{n} \vartheta_i FDI_{t-i} + \sum_{i-1}^{n} \gamma_i EXD_{1-i} + \sum_{i-1}^{n} \gamma_i EXR_{t-i} + \sum_{i-1}^{n} \gamma_i GDP_{t-i} + \psi \text{....................}(3.3)$$

$$FDI_1 = \varphi + \sum_{i}^{n} \gamma_i FDI_{t-i} + \sum_{i=1}^{n} \theta_i TOPN_{1-i} + \sum_{i-1}^{n} \vartheta_i FDI_{t-i} + \sum_{i-1}^{n} \gamma_i EXD_{t-i} + \sum_{i-1}^{n} \gamma_i GDP_{t-i} + \psi \text{........................}(3.4)$$

$$EXD_1 = \varphi + \sum_{i}^{n} \gamma_i EXD_{t-i} + \sum_{i=1}^{n} \gamma_i TOPN_{t-i} + \sum_{i-1}^{n} \theta_i FDI_{t-i} + \sum_{i-1}^{n} \vartheta_i EXR_{t-i} + \sum_{i-1}^{n} \gamma_i GDP_{t-i} + \psi \text{........................}(3.5)$$

$$EXR_1 = \varphi + \sum_{i}^{n} \gamma_i EXR_{t-i} + \sum_{i=1}^{n} \gamma_i TOPN_{t-i} + \sum_{i-1}^{n} \gamma_i FDI_{t-i} + \sum_{i-1}^{n} \theta_i EXD_{t-i} + \sum_{i-1}^{n} \vartheta_i GDP_{t-i} + \psi \text{........................}(3.6)$$

## Method of Data Evaluation

### Economic Criterion Test (A priori Test)

The a priori test of the analysis will be based on the regression coefficient based on the coefficient of the algebraic signs of the parameters. It is a test that will be based on evaluating the conformity of the relationship between the variables on economic theory. The expected signs are specified thus: Bl > 0, B2 > 0, B3 < 0, and B4 > 0

### Statistical Test of Significance

### Test for Goodness of Fit

This test involves the test of the goodness of fit. To evaluate the working hypothesis of this study, $R^2$ the co-efficient of determination is used to test the explanatory power of the variable. R lies between zero and one (0 < r < 1). The closer r is to 1 the greater the proportion of the variation in the dependent variables attributed to the independent variables.

### T-Test of Significance

To test for the statistical significance of individual regression co-efficient, t-statistic is used. A two-tailed test will be conducted at 5% level of significance. The null hypothesis Ho will be tested against the alternative hypothesis HI.

Decision Rule (T-Test)

If to.025 < t* Ho will be rejected and the H! accepted. Otherwise, the alternative hypothesis HI will be rejected and the null hypothesis Ho be accepted.

f-TEST of Significance

To Test the statistical significance of the entire regression, the f-ratio is used. The test will be conducted at 5% level of significance.

Decision Rule (F-Test)

If f* > (fo.os), we say the regression is statistically significance but if otherwise, it implies that it is statistically insignificant

Note: t* = computed

t - value to-025

^tabulated t - value

f* = Computed f-value

$f_{0.05}$ _ tabulated f-value

Econometrics Test of Significance

Autocorrelation Test

To evaluate the reliability of the expected numerical estimates, the Durbin -Watson (D-W) statistics at 5% will be used to test for the presence of autocorrelation problem. The region of autocorrelation remains:

du <d* <(4-du)

Where:

du = Upper Durbin - Watson

d* = Computed Durbin-Watson

Decision Rule (Autocorrelation Test)

If the computed value of Durbin-Watson lies within the region, it means there is no presence of autocorrelation problem. But if the Durbin-Watson computed value lies outside the regions there is the presence of autocorrelation problem and a remedial measure like the use of first difference equation will be adopted.

Diagnostic Tests

Unit Root/Stationarity Test

To avoid the emergence of spurious regression due to a non-stationary series, the stationarity test will be conducted using the Augumented Dickey Fuller test. The following three models represent pure random walk, random walk with drift and random walk with drift and trend used in Augmented Dickey Fuller tests:

$$\Delta\psi_t = \Omega\psi_{t-1} + \sum_{i=1}^{p}\beta_i\Delta\psi_{t-1} + \varepsilon_t$$

$$\Delta\psi_t = \alpha_0 + \Omega\psi_{t-1} + \sum_{i=1}^{p}\beta_i\Delta\psi_{t-1} + \varepsilon_t$$

$$\Delta\psi_t = \alpha_0 + \Omega\psi + \beta_2 t + \sum_{i=1}^{p}\beta_i\Delta\psi_{t-1} + \varepsilon_t$$

Where: $\Omega = (\lambda = 1)$. The null hypothesis is $H_o$: Q = 0 and the alternative hypothesis is $H_a : \Omega < 0$. If ADF test statistic (t-statistic of lagged dependent variable) is less than the critical value, we reject the null hypothesis and conclude that the series is stationary (there is no unit root).

Cointegration Test

There will be an examination of the long-run relationship among the variables which will be encapsulated in the cointegration test. This test will be carried out with the Engel-Granger (EG) methodology. The justification for adopting the EG method is based on its flexibility and optimal characteristics. The residualsobtained from the OLS model estimated will be tested for stationarity using the Augmented Dickey-Fuller (ADF) test for unit root given as:

Ay/, =ft0v,

## Error Correction Model

The error correction analysis is an econometric analysis carried out if the variables under investigation are seen to be cointegrated. The Error Correction Mechanism (ECM) will be used to estimate the speed of adjustment of the short-run dynamics of the variables and timing to long run convergence. The ECM is given by the equation: $\Delta y_t = \beta_0 + t + (\beta_1 - 1)y_{t-1} + (\beta_2 - \beta_3)\, x_{t-1} + v_t$

$$GDP = \beta 0 + \beta_1 TOPN + \beta_2 FDI + \beta_3 EXD + \beta_4 .EXR + \mu$$

## Data Required and Sources

The data required for this research are time series secondary data on exports, imports, foreign direct investment, external debt, exchange rate and Gross Domestic Product (GDP). The data to be used in the research will be extracted primarily from the Central Bank of Nigeria Statistical Bulletin, and the National Bureau of Statistics (NBS).

## PRESENTATION AND ANALYSIS OF RESULTS

### The Empirical Result

Due to the stochastic trend process associated with most time series data, it is important that these series are tested for the presence of unit root. The result of the unit root stationarity test in table 1 was conducted using Augmented Dickey Fuller (ADF) statistic at 5% level of critical value significance.

Table 1: *Unit Root Result*

| VARIABLE | ADF STAT. | CRITICAL VAL. | ORDER |
|---|---|---|---|
| GDP | -5.187876 | -1.951332 | 1(2) |
| TOPN | -5.301473 | -1.951000 | 1(1) |
| FDI | -5.470423 | -1.951000 | 1(1) |
| EXD | -3.331514 | -1.951000 | 1(1) |
| EXR | -3.041324 | -1.951000 | 1(1) |

Source: *Author's Computation UsingE-views.*Table 1 reveals that Gross Domestic Product (GDP) is stationary at second order while Trade Openness (TOPN), Foreign Direct Investment (FDI), External Debt (EXD) and Exchange Rate (EXR) are stationary at first difference or order one.

Long Run Test (Engel Granger Technique)

Table 2: *Cointegration Results*

Null Hypothesis: RESID01 has a unit root

Exogenous: None

Lag Length: 1 (Automatic- based on SIC, maxlag=9)

| | | t-Statistic | Prob.* |
|---|---|---|---|
| Augmented | Dickey-Fuller test statistic | -3.531489 | 0.0009 |
| Test critical values: | 1% level<br>5% level<br>10% level | -2.634731 -1.951000 -1.610907 | |

"MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(RESID01)

Method: Least Squares

Date: 08/05/18 Time: 16:37

Sample (adjusted): 1983 2016

Included observations: 34 after adjustments

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| RESID01(-1) | -0.449462 | 0.127273 | -3.531489 | 0.0013 |
| D(RESID01(-1)) | 0.499067 | 0.185011 | 2.697504 | 0.0111 |
| R-squared | 0.303228 | Mean dependent var | | 54.70729 |
| Adjusted R-squared | 0.281454 | S.D. dependent var | | 3516.961 |
| S.E. of regression | 2981 .226 | Akaike info criterion | | 18.89508 |
| Sum squared resid | 2.84E+08 | Schwarz criterion | | 18.98487 |
| Log likelihood | -319.2164 | Hannan-Quinn criter. | | 18.92570 |
| Durbin-Watson stat | 2.059707 | | | |

The residuals obtained from the OLS model were tested for stationarity using the Augmented Dickey-Fuller (ADF) test for unit root at level form. From the above result, it can be seen that the ADF test statistic of-3.531489 is absolutely greater than the 5% critical value at -1.951000 so we fail to accept the null hypothesis which says that the residuals have a unit root. This implies that the residual (or error term) is stationary at level using 5% level of significance. The stationary status of the residual implies a long-run equilibrium relationship between the GDP, TOPN, FDI, EXD and EXR. Hence; the variables are cointegrated.

Error Correction Regression Analysis

Table 3: *Regression Output*

Dependent Variable: GDP

Method: Least Squares

Date: 08/05/18 Time: 17:03

Sample (adjusted): 1982 2016

Included observations: 35 after adjustments

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 19746.40 | 3217.266 | 6.137634 | 0.0000 |
| TOPN | 82980.85 | 9491.021 | 8.743090 | 0.0000 |
| LOG(FDI) | 86.56327 | 250.7889 | 0.345164 | 0.7325 |
| LOG(EXD) | -1403.655 | 526.1355 | -2.667859 | 0.0124 |
| EXR | 101.0817 | 22.34470 | 4.523742 | 0.0001 |
| ECM(-1) | -0.968343 | 0.144562 | -6.698466 | 0.0000 |
| R-squared | 0.966609 | Mean dependent var | | 32228.55 |
| Adjusted R-squared | 0.960852 | S.D. dependent var | | 18191.76 |
| S.E. of regression | 3599.393 | Akaike info criterion | | 19.36972 |
| Sum squared resid | 3.76E+08 | Schwa rz criterion | | 19.63635 |
| Log likelihood | -332.9702 | Hannan-Quinn enter. | | 19.46176 |
| F-statistic | 167.9000 | Durbin-Watson stat | | 1.335759 |
| Prob(F-statistic) | 0.000000 | | | |

Table 3 clearly reveals that trade openness (TOPN) yielded a positive numerical coefficient (82980.85). It implies that the average contribution of trade openness to economic growth in Nigeria for the years under analysis is positive. This conforms to economic a priori expectation because openness to trade translates to economic growth through the optimal interaction with the outside world through trade. The regression output in table 3 also reveals that for foreign direct investment yielded a positive output in the magnitude of 86.56327. This implies that over the years, a 1 unit increase in FDI has averagely contributed positively to economic growth in Nigeria. This conforms to economic a priori expectation. Another proxy for globalization in this study is external debt (EXD) and it shows that the numerical coefficient of EXD is negative. This shows that on the average, external debt has contributed negatively to economic growth in Nigeria at the magnitude of-1403.655. This conforms to economic a priori expectation because the interest rate associated with external borrowing adversely affects the economy. From the regression result in table 3, exchange rate yielded a positive numerical coefficient at the magnitude of 101.0817. This entails that a 1 unit increase in exchange rate increases economic growth by 101,0817. This result technically conforms to economic a priori expectation because an increase in exchange rate discourages importation and encourages local production and purchase and this thereby translates to an increase in aggregate demand and economic growth.Having established a long-run relationship among the variables, the error correction term as estimated to derive the speed of adjustment and correction of short-run dynamics. The regression output in table 3 reveals that the ECM yielded a numerical coefficient at the magnitude of-0.968343. This entails that that the short-run dynamics will adjust for long-run equilibrium at 96.8% speed. The R-Squared which yielded 0.966609 shows the model has a good goodness of fit and that the explanatory variables are reliable in explaining the variations in the dependent variable. The probability of the F-statistics which yielded 0.000000 entails that the test is statistically significant at the entire regression plane.

Hence, the independent variables jointly have significant impact on economic growth in Nigeria.

Granger Causality Result

Table 4: *Granger Causality*

Pairwise Granger Causality Tests

Date: 08/06/18 Time: 03:02

Sample: 1981 2016

Lags: 2

| Null Hypothesis: | Obs | F-Statistic | Prob. |
|---|---|---|---|
| TORN does not Granger Cause GDP GDP does not Granger Cause TOPN | 34 | 12.3475<br>4.24405 | 0.0001<br>0.0242 |
| FDI does not Granger Cause GDP GDP does not Granger Cause FDI | 34 | 2.62082<br>3.23480 | 0.0899<br>0.0539 |

The Granger causality shows that from the probability values, there is a bi-directional causality relationship between trade openness (TOPN) and economic growth with measured with Gross Domestic Product (GDP). On the other hand, the Granger causality output shows that there is no causality relationship between FDI and GDP.

## Test of Hypotheses

The t-statistics corresponding to Trade Openness (TOPN) yielded 8.743090. Since this value is absolutely greater than 2, we reject the Ho and accept the Hi. Hence, trade openness has significant impact on economic growth in Nigeria. The t-statistic corresponding to Foreign Direct Investment (FDI) yielded 0.345164. Since this value is absolutely less than 2, we accept that Foreign Direct Investment (FDI) has no significant impact on economic growth in Nigeria. The Granger causality output shows that there is causality relationship between trade openness and economic growth in Nigeria. This is revealed in their corresponding probability which are $0.0001 < 0.05$ and $0.0242 < 0.05$ respectively. The Granger output also shows that there is no causality relationship between foreign direct investment and economic growth in Nigeria. Their probability values yielded $0.0899 > 0.05$ and $0.0539 > 0.05$ respectively.

## SUMMARY, CONCLUSION AND RECOMMENDATION

### Summary of Findings

This study is focused on carrying out an empirical assessment of the impact of globalization on economic growth in Nigeria covering the period 1981-2016. To achieve this aim, the research adopted the conventional econometric research methodology. The linear regression with the application of Ordinary Least Squares (OLS) technique was adopted and major findings of the study revealed that:

1. Trade openness has significant impact on economic growth in Nigeria.
2. Foreign Direct Investment (FDI) has no significant impact on economic growth in Nigeria.
3. There is causality relationship between trade openness and economic growth in Nigeria.
4. There is no causality relationship between foreign direct investment and economic growth in Nigeria.

## CONCLUSION OF THE STUDY

Findings of the study objectively lead us to conclude that globalization is a veritable tool that goes a long way to determine the level of economic growth and development. However, although the contribution of FDI to Nigerian economy is positive, its contribution is not significant. Hence, Nigeria is yet to full harness and the presence of foreign direct investments in the economy.

RECOMMENDATION

The following recommendations were ushered in line with the findings of the study

1. Based on the findings of this research, it was observed that there exists a positive relationship between trade openness; the proxy for measuring globalization and the economic growth of Nigeria. Hence, a continual derivation from this benefit would imply that Nigeria should increase its interactions with other economically stable countries of the world.
2. Nigeria should increase its policies geared towards harnessing the presence of Foreign Direct Investments (FDIs) especially the habitual act of foreign investors repatriating their profit to their mother countries instead of reinvesting them in the host country, in this case Nigeria.
3. The federal government of Nigeria should drastically minimize engaging in external borrowings and diversify its revenue base.
4. Government should establish a link between domestic investors and world market, in order, for them to have a place where their goods and services could be sold and hence economic growth.

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