# Globalization and its impact on the performance of the Nigerian Economy

Aminu, Umaru and Ahmad Aminu, Hamidu and Salihu, Musa

Modibbo Adama University of Technology Yola Nigeria, Modibbo Adama University of Technology Yola Nigeria, Federal University Dutse Nigeria

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**Globalization and Its Impact on the Performance of the Nigerian Economy**

*Aminu Umaru*

Lecturer, Department of Economics, School of Management and Information Technology, Modibbo Adama University of Technology, Yola, Adamawa State, Nigeria.
e-mail: aminu_umaru2007@yahoo.com

*Ahmadu Aminu Hamidu*

Lecturer, Department of Management Technology School of Management and Information Technology, Modibbo Adama University of Technology, Yola, Adamawa State, Nigeria.
e-mail: aahamidu98@gmail.com

*Salihu Musa*

Lecturer, Department of Agric Economics, Faculty of Agriculture, Federal University Dutse, Jigawa State, Nigeria
e-mail: bappa.girei@gmail.com

ABSTRACT

*This paper investigates the impact of globalization on the performance of the Nigerian economy 'between' 1962-2009 through the application of simple Annual Average Growth Rate (AAGR) technique. The comparative analysis of growth of key sectors of the Nigerian economy (agriculture, petroleum, manufacturing, solid minerals, transport and communication sectors) between Pre-globalization (Pre-SAP; 1962-1985) and Post globalization periods (Post-SAP; 1986-2009). The study reveals that ''globalization'' had had positive impact on some sectors of the economy especially, agriculture, transportation and communication; while negative impact on some sectors especially petroleum, manufacturing, and solid minerals. Globalization had had positive impact on the overall performance of the economy which is measured by GDP. This implies that despite its negative impact on some sectors of the economy; still is beneficial to the growth of the economy. This paper therefore, recommends that concerted effort need to be taken by government and policy makers to boost the performance of the sectors negatively impacted by globalization especially petroleum which is the largest contributor to GDP in recent time in the country, followed by manufacturing and solid minerals with the view to diversifying the economy. The paper also recommends that crude petroleum should be refined before exporting in order to benefit more from globalization. Another policy implication of this study is that inflation and unemployment may be successfully control if the rate at which Nigerian economy is globalized reduces to some level (i.e. openness of the economy be reduce).*

Keywords: Globalization, Economic growth (GDP), agriculture, petroleum, manufacturing, solid minerals, transportation and communication, inflation and unemployment.

## 1.0 - INTRODUCTION

Globalization is nothing but the functioning of a business on a global level. When we treat the entire globe as our potential market, we globalize our business. Usually, there are certain barriers when it comes to the functioning of the business on an international platform. These barriers might include ones such as potential, financial, and even geographical. When a businessman or country overcomes these barriers, he/its successfully globalizes his/its business. Today, the sharing of information has reached a level we thought it never could. Upcoming artists and basically other 'like-minded' people could never share their interests, projects and views over a common thought. Globalization and international business thus, also mean the sharing of ideas and views on an international level. Until a few years back, hardly anyone focused on the globalization issues in business. Globalization got with it some huge profit and expansions, and no one seemed to bothered by the negative side of this concept. However, gradually, the pros and cons were discussed, and this gave rise to some globalization issues around the world. Globalization also may mean diminution or elimination of state-enforced restrictions on exchanges across borders, and the increasingly integrated and complex global system of production, distribution and exchange that has emerged as a result. The world has been significantly changing since the end of the era of cold war. Specifically, since 1980s, the world economy is being guided by neoliberal economic policies that attempted to promote capitalism at a global scale through trade liberalization, foreign direct investment (FDI) and financial capital flows as well as the relaxing of government regulations especially in financial, goods and labour markets (Ornaran n.d.). These developments had succeeded in relatively shrinking the political, economic, and cultural barriers in favour of western countries (Imam, 2009). Globalization in Nigeria can be tress back to the introduction of Structural Adjustment Programme (SAP) in 1986, during Babangida's regime. This paper would analyse the impact of globalization on the performance of the Nigerian economy by dividing the period into two. Period before globalization and SAP and also period after globalization and SAP. Today, there is growing evidence that world economies are even more integrated and inter-connected than they were in 1929 (Obi, 2009; OECD, 2009). Sequel to this development, a small change might have a very serious impact on trade and investment world over (OECD, 2009). However, the increasing global interdependence generated by globalization had brought about an increasing inequality that global institutions were unable to contend with effectively (UNCTAD, 2009). There is now a growing belief that the global economic crisis was largely a product of exploitative tendency of capitalism entrenched by U.S., which has succeeded in creating a huge structural imbalance between savings and investment in the global economy. This growing imbalance can also be seen as widening inequalities between the developed and the developing countries in the context of modern form of exploitation-globalization (Benn, 2009). These unfortunate developments in the forms of capitalism and later globalization have inadvertently led to unanticipated global decline in stocks prices and markets, shrinking of credits, reduction in production leading to adverse repercussions on employment, trade and growth in GDP (Benn, 2009). The wave of financial globalization since the mid-1980s has been marked by a surge in capital flows among industrial countries and, more notably, between industrial and developing countries. While these capital flows have been associated with high growth rates in some developing countries, a number of countries have experienced episodic collapses in growth rates and significant financial crises over the same period, crises that have exacted a serious toll in macroeconomic and social costs. As a result, an intense debate has emerged in both academic and policy circles about the effects of financial integration on developing economies. But much of the debate has been based on only casual and limited empirical evidence. The objective of this paper is to provide an assessment of empirical evidence on the effects of financial globalization for developing economies. This paper will focus on a number of related questions: (a) Does globalization promote economic growth in Nigeria? , and (b) what are the impact of globalization on macroeconomic variables in the country such as inflation and unemployment? (c) Does it has significant impact on various sectors of the economy, Such as agriculture, petroleum, manufacturing, mining and industry transport and communication?

## 1.1 - LITERATURE REVIEW

The analysis of the relationship between globalization and macroeconomic performance represents a main interest of the growing empirical literature due to the intense debate between policymakers and academicians about the impact of financial liberalization, trade openness and the influx of FDI on economic growth. The neoclassical growth theory suggests that integration into the world economy is associated with improvement in economic performance. For example, Kumar and Pradhan (2002) claim that apart from technology and capital, FDI flows as a bundle of resources in terms of organizational and managerial skills, marketing know-how, and market access through the marketing network of multinational enterprises. FDI's effect on economic growth is thus based on its contribution to capital accumulation and total factor productivity improvements. This is attributed to the technology transfers, introduction of new processes in the domestic market, employee training, international production networks and access to market provided by FDI. General economic theory also points to the fact that financial globalization, for example, can induce a more efficient allocation of resources, provide possibilities for risk diversification, strengthen macroeconomic policies and consequently promote economic development (Stoianov, 2007). Ajayi (2006) has noted that the global mobility of capital may limit the ability of governments to pursue bad policies. Brasoveanu, et'al (2008) assert that financial development can affect growth in three main ways, including increasing the marginal productivity of capital, reducing resources absorbed by financial intermediaries, and raising the private savings rate. These ideas are consistent with the view that financial intermediation promotes growth because it allows a higher rate of return to be earned on capital, and growth in turn provides a means to implement costly financial measures. Nissanke and Stein (2003) have also argued that financial liberalization allows funds to flow from low marginal product of capital-rich countries to high marginal product of capital poor countries as the capital market works to equalize risk adjustment. Like Acharya et' al (2009) in a study of Indian states found that finance leads to growth. The presumption here is that as the efficiency of the global resource increases developing countries emerge as winners. Others contend that globalization enables peace and prosperity and thereby increase in economic activities that reinforce peace in a virtuous cycle (Bhagwati and Srinivasan, 2002). Similarly, trade allows local opportunity costs of resources to be reflected more accurately and decontrolling interest rates also raises rates and thereby encourages savings and the adoption of appropriate technology (Mengisteab, 2010). The capitalist economic theory holds that a completely liberalized global market is the most efficient way to foster growth because each country specializes in what it has a comparative advantage in. Finally, proponents of globalization claim that countries which are highly engaged in globalization process are likely to experience not only higher economic growth, but also greater affluence, more democracy, and increasingly peaceful conditions (Vadlamannati, 2009).

In contrast to the optimism of the globalization advocates, skeptics contend that high levels of globalization have adverse effects on the domestic economy leading to economic and social inequalities through the negative effects on economic growth (Rao, Tamazian, and Vadlamannati, 2008). In support of this view, Norberg and Cheru (2006) argue that the adverse effects of liberalization have been severe in many African countries. Citing UNDP report (2002), they argued that 22 countries in SSA had lower per capita incomes in 2000 than they did in the period between 1975 and 1985. From this perspective, Norberg and Cheru (2006) claim that the Washington Consensus was simply wrong in its belief that dismantling trade barriers and reducing or removing government interference was a panacea for poor countries. Rather, they suggested that effective state institutions are a prerequisite for a well-functioning market. Further, they claim that those who have gained most from globalization are not those that opened up completely as happened to Latin America in the 1990s, but rather the Asian economies that only partially liberalized their economies. In other words, success was possible because the Asian governments had the freedom to control basic economic policy. This argument is consistent with Robinson's (2007) assertion that trade and financial openness are by themselves not enough to promote economic growth, and may occasionally backfire in the absence of a wider range of complementary institutional and governance reforms. The skeptics also argue that lifting protectionist policies, for example, could lead to loss of revenue and the destruction of potentially competitive local infant industry by cheap imports. Deregulation of capital mobility may also destabilize monetary systems, as has occurred in many developing countries (Mengisteab, 2010). Saibu, Bowale and Akinlo (2009) showed that changes in the financial structure or the overall financial systems have a negative effect on economic growth in Nigeria. When even benefits are present, Vadlamannati (2009) and Rincon (2007) suggest that it is possible for the costs to exceed the benefits through the concentration of capital flows in certain countries, misallocation of resources, loss of macroeconomic stability (inflation pressures, real exchange rate appreciation, external imbalances) contagion and risk of sharp reversal of capital flows. In addition, where there is positive effect of financial globalization, other authors claim that it is for middle –income countries and only a marginal effect for poor countries. For example, Zhuang and Koo (2007) examined the impact of globalization on economic growth and reported that Globalization and economic growth in Sub Sahara Africa has a significant positive effect on economic growth for all countries. The study however revealed that China and India benefited most followed by the developed countries while the other developing countries in the study sample benefited the least. Depending on which ideological perspective one views globalization, it could either be described as a force for advancing the world or as a serious danger to the world. A study conducted by (Adams, 2009) found that on average the influx of FDI, opening up of markets and the strengthening of IPR have contributed to the economic growth of the countries in the study sample, but financial development does not seem to have contributed to economic growth. According to Ojo (2003), globalization is a phenomenon that reflects the increasing interaction among persons and institutions across the globe. These interactions permeate all facets of human endeavour. Thus, globalization is multidimensional, spanning economic, political, cultural and social activities. He equally maintained that, globalization was first noticed through trade relations among countries and intensified through the role of multinational trading organizations that operated the globe bringing people and institutions closer. This was followed by the injection of capital into the overseas economies by the headquarters of the multinationals to promote further trade. Accordingly, the early foreign capital came with trade. Despite the span and intricacy of the process, its main rudiments are well known. Technological advancements, especially in the field of information and communication, have had the effect of linking and bringing the world closer in time and space, making possible new ways of doing business and intensifying social interactions.

Nigeria signed a treaty to become a global player and an entrepreneur of the World Trade Organization (WTO) in 1983 with the intent to become a competitor in the global market (see Igudia, 2003). Three years later it introduced Structural Adjustment Programme (SAP) with its inherent policies,(i.e. trade liberalization, devaluation of national currency, deregulation of the economy particularly in the area of foreign exchange and interest rate regime, privatization, commercialization, etc). Instead of improvement, the Nigeria's economic condition has worsened. Pointing to the fact that these policies will only work well with export-led countries of the world and the major export commodities should be equipment's, machineries, etc, in information and technology for the advancement of modern set-up. Nigeria being an import-led will virtually worsen her situation and improve foreign individuals and institutions economic stand point within the context of globalization.

TRADE LIBERALIZATION Trade liberalization, and the consequent competition for increased imports of inputs and manufactures items, has put pressure on scarce foreign exchange and led to increased costs of raw materials, spare parts, and manufactured goods. Increased costs of importation have also lead to higher service charges and poorer services. This may likely have adverse impact on the growth and development of the Nigerian economy, especially on the productive sectors of the economy such as agriculture, petroleum, manufacturing, etc.

INTEREST RATE DEREGULATION On July 31 1987 the Central Bank of Nigeria, as part of SAP, announced the deregulation of interest rates. It also abolished (with effect from August 1 1987) all controls on interest rates, which are now determined by the forces of demand and supply. To prop up interest rates the Central Bank has since then tinkered with the rediscount rate and the liquidity ratio, upwards, thus setting the pace for commercial and merchant banks. Banks over-reacted by pushing up interest rates (especially prime lending rates). This may likely have adverse effect on the performance of some sectors of the economy who rely on bank loan for most of their operations.

PRIVATIZATION AND COMMERCIALIZATION According to the Privatization and Commercialization Decree of 1988, privatization is ''the relinquishment of part or all of the equity and other interest held by the Federal Government or its agency in enterprises, whether wholly or partly owned by the Federal Government'', while commercialization is ''the reorganization of enterprises wholly or partially owned by the Federal Government in which such commercialized enterprises shall operate as profit-making commercial ventures and without subventions from the government''. Essentially, the central policy thrust here is 'user charges and cost-recovery principles'. This may also have implication on the performance of the economy.

REMOVAL OF SUBSIDIES ON PETROLEUM PRODUCTS AND FERTILIZERS As part of the IMF-World Bank requirement for a reduction in government expenditure, the subsidy on petroleum products (gas, petrol, kerosene, diesel oil, and fuel oil) was reduced in 1986, 1988, 1989, 1990, and 2012; this fuelled the inflationary spiral in the country, which in turn affect the performance of the economy. In addition, subsidies on fertilizers were reduced in both 1989 and 1990, resulting in higher farm production costs, lower output and higher prices of foodstuffs. Such a policy is contradictory for an administration that said to be committed to increased agricultural production as well as committed to increase 'non-inflationary growth'.

Globalization for Developing Countries in Asia

i. Backed by sound economic policies and information technological advancements, the South-East Asian countries have prospered as their employment growth rate has increased tremendously. One fine example of this phenomenon is India which continues to have an economic growth rate of 8 percent or more per year.
ii. Easy access to foreign capital and increased foreign direct investment lays down the foundation for a competitive and yet, thriving market.
iii. Since the players increase in the market, the consumers not only get better products, but also at a cheaper price. Hence, another benefit is low inflation rate which helps the country to have a stabilized economy.
iv. Poverty has reduced in the Asian countries which have adopted liberalized economic policies. v. Companies from other countries bring their products with their technologies. Newer technologies in IT, production and research cut down the production cost, and increase sales. Moreover, they also sharpen the skills of the local labor force.

Globalization in Africa

i. Africa is a huge continent with many countries which are downtrodden and poor mostly sustaining life on agriculture and aquaculture. Not only that, there are regions which are torn apart by war and violence, and hence steady income from a stable employment would work as a respite from the infighting.
ii. Education plays a major role in the development of any nation and is one of the important drawbacks in the growth of the African region. UNESCO believed that 48% of children in Africa were never ever enrolled in primary schools in the year 2000. This disappointing number can go down if African countries open their doors to free market policies. With significant players in the market, a major positive impact would be on the education and technological field of the African continent.
iii. More resources and FDI would be at hand because of globalization and ensure lower exchange rate of local currency. Hence, it will indirectly help boom the economy.
iv. Though, globalization is not a magic wand and cannot wipe away all of Africa's woes, but it can surely create a favourable environment for a fair and stable government. Globalization would bring any African country more closer to rest of the world and any wrongdoing on the part of a government or a faction can be monitored and curtailed.
v. Trade treaties and co-dependence in business is fostered by globalization. It can bring about a vast change in the political, economic, and social set ups in Africa.
vi. With more money, resources and people coming to Africa, the real and the most devastating problems of these countries could grab the limelight, and relief intervention can be provided by the global community.

Effects of Globalization

i. Enhancement in the information flow between geographically remote locations
ii. The global common market has a freedom of exchange of goods and capital
iii. There is a broad access to a range of goods for consumers and companies
iv. Worldwide production markets emerge
v. Free circulation of people of different nations leads to social benefits
vi. Global environmental problems like cross-boundary pollution, over fishing on oceans, climate changes are solved by discussions
vii. More trans-border data flow using communication satellites, the Internet, wireless telephones, etc.
viii. International criminal courts and international justice movements are launched
ix. The standards applied globally like patents, copyright laws and world trade agreements increase
x. Corporate, national and sub-national borrowers have a better access to external finance
xi. Worldwide financial markets emerge

xii. Multiculturalism spreads as there is individual access to cultural diversity. This diversity decreases due to hybridization or assimilation
xiii. International travel and tourism increases
xiv. Worldwide sporting events like the Olympic Games and the FIFA World Cup are held
xv. Enhancement in worldwide fads and pop culture
xvi. Local consumer products are exported to other countries
xvii. Immigration between countries increases
xviii. Cross-cultural contacts grow and cultural diffusion takes place
xix. There is an increase in the desire to use foreign ideas and products, adopt new practices and technologies and be a part of world culture
xx. Free trade zones are formed having less or no tariffs
xxi. Due to development of containerization for ocean shipping, the transportation costs are reduced
xxii. Subsidies for local businesses decrease.
xxiii. Capital controls reduce or vanquish.

There is supranational recognition of intellectual property restrictions, i.e. patents authorized by one country are recognized in another

## 2.0 - DATA AND METHODOLOGY

In this paper an attempt has been made to analysis the impact of globalization on the performance of the Nigerian economy from 1970 to 2009. For this, the growth of the economy which is proxy by GDP, contribution of various sectors of the economy, especially, agriculture, petroleum, manufacturing, mining and solid minerals, transport and communication as well as inflation and unemployment have been calculated and reported. The study has been conducted with reference to the data related to the performance of the Nigerian economy. The sectors have been studied owing to the fact that they hold the largest share of GDP of Nigeria. The reference period for the analysis of the data has been taken from 1962-2009. The study period has been divided into two parts; pre-globalization (i.e. pre-SAP) (1962 to 1985) and the post-globalization (post-SAP) (1986 to 2009) to know the impact of globalization after SAP in Nigeria. For this reason, a comparative analysis of Average Annual growth rates for pre and post globalization periods has been carried out for key growth and performance variables like contribution of the selected sectors, unemployment and inflation. The study has been base on secondary data. The data for the study has been taken mainly from CBN Statistical Bulletin and Annual report.

## 3.0 - DATA PRESENTATIONS AND ANALYSIS

The performance of the Nigerian economy lies on the extent to which various sectors of the economy are contributing to GDP of the country as well as the extent to which unemployment and inflation is also growing overtime.

GDP GROWTH RATE  Table 1 provides the data about the growth of GDP in Nigeria during pre and post globalization period i.e. 19621985 and 1986-2009.

<< Table 1 >>

It is cleared from the table above that the Annual Average Growth Rate (AAGR) of GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 17.04 percent and  in post globalization it was 30.06 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1967,1968 and 1981. The highest yearly growth rate of GDP in the pre-globalization period was recorded in 1974 with growth rate of 118.1 percent while the least growth rate was recorded in 1967 with growth rate of -18.44 percent. Though, there was high fluctuation in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of GDP in the post globalization period was recorded in 1995 with yearly average of 114.83 percent as indicated in table 1, and the least yearly growth rate was recorded in 1998 with the only negative value -3.34 percent in the post globalization period. This, result revealed that Globalization has impacted positively on the growth of GDP in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF AGRICULTURE TO GDP IN NIGERIA Table 2 provides the data about the contribution of agriculture to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.   << Table 2 >>

It is cleared from the table above that the Annual Average Growth Rate (AAGR) of the contribution of Agricultural sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 13.82 percent and in post globalization it was 29.7 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1967, and 1968. The highest yearly growth rate of  the contribution of agriculture to GDP in the pre-globalization period was recorded in 1970 with yearly growth rate of 50.52 percent while the least growth rate was recorded in 1967 with growth rate of -17.64 percent. Though, there was high fluctuation also in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of agriculture to GDP in the post globalization period was recorded in 2002 with yearly average of 110.49 percent as indicated in table 2, and the least yearly growth rate was recorded in 1986 during which SAP was introduced, with the yearly average growth rate of 4.74 percent in the post-globalization period. This, result revealed that Globalization has impacted positively on the contribution of agriculture to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF PETROLEUM TO GDP IN NIGERIA Table 3 provides the data about the contribution of Crude Petroleum to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 3 >>

It is clear from the table above that the Annual Average Growth Rate (AAGR) of the contribution of Crude Petroleum sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 47.99 percent and in post globalization it was 43.75 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1963, 1967, 1968. The highest yearly growth rate of the contribution of crude petroleum to GDP in the pre-globalization period was recorded in 1969 with yearly growth rate of 436.05 percent while the least yearly growth rate was recorded in 1967 with growth rate of -44.34 percent. Though, there was high fluctuation also in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was negative at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of crude petroleum to GDP in the post-globalization period was recorded in 1995 with yearly average of 249.83 percent as indicated in table 3, and the least yearly growth rate was recorded in 1998, with the yearly average growth rate of -32.08 percent in the post-globalization period. This, result revealed that Globalization has impacted negatively on the contribution of crude petroleum to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the pre-globalization period than in the post-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF MANUFACTURING SECTOR TO GDP IN NIGERIA Table 4 provides the data about the contribution of manufacturing sector to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 4 >>

It is clear from the table above that the Annual Average Growth Rate (AAGR) of the contribution of manufacturing sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 21.77 percent and in post globalization it was 20.99 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1967, 1975, 1981, and 1984. The highest yearly growth rate of the contribution of manufacturing sector to GDP in the pre-globalization period was recorded in 1974 with yearly growth rate of 155.3 percent while the least yearly growth rate was recorded in 1975 with growth rate of -26.34 percent. Though, there was high fluctuation also in the growth rate during the period. In the post globalization period from 1986 to 2009, the yearly growth rate was very low but started increasing immediately after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of manufacturing sector to GDP in the post-globalization period was recorded in 1995 with yearly average of 67.4 percent as indicated in table 4, and the least yearly growth rate was recorded in 1998, with the yearly average growth rate of -1.81 percent in the post-globalization period, and is the only negative value. This, result revealed that Globalization has impacted negatively on the contribution of manufacturing sector to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the pre-globalization period than in the post-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF SOLID MINERALS SECTOR TO GDP IN NIGERIA Table 5 provides the data about the contribution of Solid minerals sector to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 5 >>

It is clear from the table above that the Annual Average Growth Rate (AAGR) of the contribution of Solid minerals sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 24.95 percent and in post globalization it was 23.03 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1966, 1967, 1968, 1982, 1983, 1984 and 1985. The highest yearly growth rate of the contribution of solid minerals to GDP in the pre-globalization period was recorded in 1969 with yearly growth rate of 429.44 percent while the least yearly growth rate was recorded in 1985 a year before SAP and globalization, with growth rate of -26.84 percent. Though, there was high fluctuation also in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was negative at the beginning but increase after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of solid minerals to GDP in the post-globalization period was recorded in 1989 with yearly average of 82.77 percent as indicated in table 5, and the least yearly growth rate was recorded in 1986, during which SAP was introduced, with the yearly average growth rate of -43.33 percent in the post globalization period. This, result revealed that Globalization has impacted negatively on the contribution of solid minerals to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the pre-globalization period than in the post-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF TRANSPORTATION SECTOR TO GDP IN NIGERIA Table 6 provides the data about the contribution of transportation sector to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 6 >>

It is cleared from the table above that the Annual Average Growth Rate (AAGR) of the contribution of transportation sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 18.81 percent and in post globalization it was 24.97 percent. In the pre-globalization period, the yearly growth rate was decreasing in the initial years and was negative in 1965, 1966, 1967, 1982, and 1983. The highest yearly growth rate of the contribution of transportation sector to GDP in the pre-globalization period was recorded in 1974 with yearly growth rate of 133.66 percent while the least growth rate was recorded in 1967 with growth rate of -16.24 percent. Though, there was high fluctuation also in the growth rate during the period. In the post globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of transportation sector to GDP in the post-globalization period was recorded in 1994 with yearly average of 113.38 percent as indicated in table 6, and the least yearly growth rate was recorded in 2008, with the yearly average growth rate of 1.2 percent in the post-globalization period. This, result revealed that Globalization has impacted positively on the contribution of transportation sector to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period.

GLOBALIZATION AND THE CONTRIBUTION OF COMMUNICATION SECTOR TO GDP IN NIGERIA Table 7 provides the data about the contribution of communication sector to GDP in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 7 >>

It is cleared from the table above that the Annual Average Growth Rate (AAGR) of the contribution of Communication sector to GDP (economic growth) in the pre-globalization period, from 1962 to 1985 was 16.64 percent and in post globalization it was 55.64 percent. In the pre-globalization period, the yearly growth rate was increasing in the initial years and was negative in 1967, and 1983. The highest yearly growth rate of the contribution of communication to GDP in the pre-globalization period was recorded in 1981 with yearly growth rate of 125.57 percent while the least growth rate was recorded in 1967 with growth rate of -42.68 percent. Though, there was high fluctuation also in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of the contribution of communication to GDP in the post-globalization period was recorded in 2001 with yearly average of 563.19 percent as indicated in table 7, and the least yearly growth rate was recorded in 1994 during which SAP was introduced, with the yearly average growth rate of 1.35 percent in the post-globalization period. This, result revealed that Globalization has impacted positively on the contribution of communication to GDP in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period.

GLOBALIZATION AND INFLATION IN NIGERIA Table 8 provides the data about the inflation in Nigeria during pre and post globalization period i.e. 1962-1985 and 1986-2009.

<< Table 8 >>

It is cleared from the table above that the Annual Average Growth Rate (AAGR) of inflation in the pre globalization period, from 1962 to 1985 was 11.83 percent and in post globalization it was 22.99 percent. In the pre-globalization period, the yearly growth rate was increasing in the initial years. The highest yearly growth rate of inflation in the pre-globalization period was recorded in 1984 with yearly growth rate of 40.7 percent while the least growth rate was recorded in 1964 with growth rate of 0.3percent. Though, there was high fluctuation also in the growth rate during the period. In the post-globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's also exhibit a cyclical trend. The highest growth rate of inflation in the post-globalization period was recorded in 1995 with yearly average of 72.8 percent as indicated in table 8, and the least yearly growth rate was recorded in 1986 and 2007 during which SAP was introduced as well as global economic meltdown, with the yearly average growth rate of 5.4 percent in the post-globalization period. This, result revealed that Globalization has impacted positively on inflation in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period. This result signified that globalization led to increase in inflation rate instead of decrease; this is inimical to wellbeing of the people but may improve on performance of the economy.

GLOBALIZATION AND UNEMPLOYMENT IN NIGERIA Table 9 provides the data about the unemployment in Nigeria during pre and post globalization period i.e. 19621985 and 1986-2009. << Table 9 >> It is clear from the table above that the Annual Average Growth Rate (AAGR) of unemployment in the pre globalization period, from 1962 to 1985 was 2.3percent and in post globalization it was 8.2percent. In the pre globalization period, the yearly growth rate was not available owing to the fact that unemployment was not Nigeria's problem immediately after the independent, but started from 1976 with a steady growth rate of 4.3, later increase but not much. The highest yearly growth rate of in the pre-globalization period was recorded in 1980, 1981, 1982, and 1983 with yearly growth rate of 6.4percent respectively, while the least growth rate was recorded in 1976, 1977, 1978 and 1979 with growth rate of 4.3percent respectively. This exhibit a stable growth rate during the pre-globalization period, in the post-globalization period from 1986 to 2009, the yearly growth rate was very low at the beginning but started increasing after the first year. It's exhibit a cyclical trend. The highest growth rate of unemployment in the post-globalization period was recorded in 2009 with yearly average of 19.7 percent as indicated in table 9, and the least yearly growth rate was recorded in 1994 with the yearly average growth rate of 2.0 percent in the post-globalization period. This, result revealed that Globalization has impacted positively on unemployment in Nigeria for the period under study, since the annual average growth rate was higher in the post-globalization period than in the pre-globalization period. This result signified that globalization led to increase in unemployment rate instead of decrease; this is also inimical to wellbeing of the people and may likely impact on the performance of the economy adversely.

## 4.0 - CONCLUDING REMARK

In this study, an attempt has been made to analyse the impact of globalization on the performance (growth) of the Nigerian economy. The comparative analysis of growth of key sectors of the Nigerian economy between Pre and Post-globalization periods reveals that globalization had positive impact on some sectors of the economy especially agriculture, transportation and communication; while negative impact on some sectors especially petroleum, manufacturing, and solid minerals. Globalization had also had positive impact on the two macroeconomic variables (inflation and unemployment) under the study, this means that globalization led to increase in both inflation and unemployment in Nigeria. Above all, Globalization had had positive impact on the overall performance of the economy which is proxy by GDP, this implies that despite its negative impact on some sectors of the economy; and increases in the inflation and unemployment, is still beneficial to the growth of the economy. This paper therefore, recommends that concerted effort need to be taken by government and policy makers to boost the performance of the sectors negatively impacted by globalization especially petroleum which is the largest contributor to GDP in recent time in the country, followed by manufacturing and solid minerals with the view to diversifying the economy. The paper also recommends that crude petroleum should be refined before exporting in order to benefit more from globalization. Also another policy implication of this study is that inflation and unemployment may be successfully control if the rate at which Nigerian economy is globalized reduces to some level (i.e. openness of the economy be reduce).

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