

Ola, Adeyi Emmanuel
PAPER

An Empirical Analysis of Globalization and Economic Integration in the Nigerian Economy

Adeyi Emmanuel Ola, Department of Economics, University of Kelaniya

Trade openness and economic integration are believed to stimulate economic growth due to their influence in integrating world economies and generating better markets. This study examines the implication of globalization and economic integration in Nigeria.

Data sourced from the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS) and other institutes were analyzed through the employment of multiple regression model of Ordinary Least Squares (OLS). A unique long-run relationship between economic performances, foreign direct investment (FDI), Exchange Rate, Government fiscal status and trade openness for Nigeria were established. The analysis shows 80.3% of economic performance is explained by FDI and other explanatory variables. In addition, FDI, exchange rate and government fiscal status impact positively on the economy of Nigeria.

However, the trade openness impacts negatively, indicating that Nigeria must be properly keyed into the process of globalization or be marginalized. The study therefore recommends amongst others, that the country should develop her infrastructural and institutional capacities to encourage investment and exports.