Globalisation, National Development, Challenges and Way Forward: The Nigerian Perspective

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Abstract

The paper examines the effect of globalisation on development in Nigeria from 1981-2021. Auto-regressive distribution lags model (ARDL) based on the Unit root test was used to determine the effect of three major factors; Degree of Openness (DO), External reserve (ER) and Exchange rate (EXCR) on real gross domestic product (RGDP) which proxies' economic growth. Findings from empirical results reveal that external reserves, exchange rates and other related variables considered for the analysis jointly had insignificant effect on economic growth in Nigeria during the period under review, implying that external reserves rate and exchange rate are an important determinant of productivity in Nigeria. The real Gross Domestic Product is the dependent variable proxied by economic growth. The result shows that there is positive and significant impact of ER while DO and EXR have negative impact on economic growth in Nigeria. The study therefore recommended that, government should provide enabling macroeconomic environment particularly right foreign policies in place in terms of providing policies that will boast the local production in order to increase output to cushion effects of high cost of the goods and services as well as increase forex supply to maintain stability of the exchange rate.

Keywords: *Globalisation, National development, Trade, Migration, Economic growth*

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Background to the Study

Globalisation Over the years, has proven to be the most adopted mechanism in dealing with economic development, improving the social welfare of states and strengthening political ties between countries. Globalisation development theory adopts policies such as liberalisation, privatisation, deregulation and capitalism for effective results (Chesnais, 2003). In the same vein, globalisation policies are much more favourable to North America, Europe and some part of Asia compared to African countries whose economic, political and social growth has been stunted by some of these policies, hence their failure in benefiting from globalisation United Nations Conference on Trade and Development, (2015)

Globalization is fast becoming a concept of interest in the 21st century as it is being talked about in almost every discipline. It is important to note that, the term is multifaceted and seems to have a link with almost all aspect of economy namely; economic, social, environmental, political, geographical, cultural, and so on. In the same vein, globalization seems to have changed how individuals, organizations, and constituted authorities conduct operational activities with respect to the changes in the business environment. This is because, it appears to influence how goods and services are produced and distributed, how investment decisions are determined, how pricing policies are shaped; as well as the adoption, introduction, and use of technology. "The increased interconnectedness and interdependence of peoples and countries generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows of globalisation World Health Organisation, (2017).

Nigeria being the giant of Africa has long accepted globalisation as a means to achieving rapid economic development. Paradoxically, with so much natural resources at its disposal, 53.5% of Nigerians were living in absolute poverty and Nigeria's human development index reportedly ranks 152nd position (United Nations Development Programme 2016). Given these figures, coupled with her high unemployment rate, vulnerable economy, bad policies, unhealthy investment climate, high level of indebtedness and corruption, it is clear that Nigeria is one of the most disadvantaged countries engaged in globalisation (Bank and Data, 2009).

Nigeria has been experiencing slow growth. Some of the reasons for that includes the Naira devaluation which ultimately led to higher cost of purchasing goods and services, structural problems that result in lack of transparency, low oil prices and revenue caused by liquidity, restricted fiscal policies and tighter monetary policies which lead to high interest rates and reduced activity in the capital market (Economic Report on Nigeria 2018).

According to global index report of an analytical position opined that 46.5% representing 91,885,874 Nigerians are under the poverty line. Similarly, Nigeria was ranked 157th in terms of human development index which has 0.532 score by United Nations Development Programme in 2018. Raised a concern about Nigerian unemployment and underemployment, and youth unemployment rates, pegged at alarming percentages of

23.1%, 20.21% and 55.4%, respectively. These statistics is seemingly fallout of weak and near dysfunctional public institutions and lack of political will to harness the benefit of globalization National Bureau of Statistics (2019) and World Bank (2019) Objectives of this research is to examined impact of globalisation, national development, to economic development and growth in Nigeria

Research question
    i.   What is the impact of degree of openness on economic growth in Nigeria?
    ii.   What is the impact of external reserve on economic growth in Nigeria?
    iii. What is the impact of exchange rate on economic growth in Nigeria?

Conceptual review
Globalization
Aluko (2003), defines globalization as 'the growing interactions in world trade, national and foreign investments, capital market and the ascribe role of governments in national economies. 'Globalization is the intensification world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring miles away and vice versa' (Giddens, 1990). From the foregoing and deluge of definitions of globalization, albeit, the inflow of goods and capital may be guaranteed however, the manifestations of imperialism are revealing. Globalization is today probably the most singular factor exerting the greatest influences not only on nation-states, but also on all dimensions of human existence and interactions (Saliu, and Omotola, 2006). Globalization is the transcendence of the economic, social, cultural, political, environmental constraints across territories. Globalization could be taken to mean the "changing way of production organized as required by general dismantling of trade barriers and the free mobility of financial and productive capital (Garea, 1998).

Development
According to Joyce (1966), development is how best to organise a country, which has half of its population suffering from acute shortage of food, shelter, school Hospital among others It is conceived with all means that can be used to wipe out the productive of poverty, hunger, disease, ignorance and misery. Finkle and Gable (1972) 'development is the ability to maximize output per unit, increase in knowledge of production and increase in per capital income. Seers (1969), opines that development involves not only economic growth, but also a condition in which people in a country have adequate food and jobs and the income inequality among them is greatly reduced. Todaro (1977), economic progress is an essential path to development, it is not the only one. From this definitional exposition, development is not just about economic development, it is also more than political development. Rather it is all embracing and multi-dimensional. Olaleye, (1997) defined development is a multidimensional concept that involves in it re-organisation and re-orientation of the entire economic, political and social institutions.

National Development
National development in economic terms as a transformation process whereby countries or

societies achieve rapid rise in their National Product (NP) sustained over a relatively long period of time in addition to overcoming "decision centres" in their manufacturing sector, all of which is required to guarantee its autonomy and shape its future (Mohammed, Oladipo Ahmed, Agabi, and Adekalu, 2013). National development as "the ability of a country or countries to improve the social welfare of the people by providing social amenities like good education, pipe borne water, extra (www.wiki.answers.com)

Human Development Index (HDI) as one measure of national development; using real national income per head, adult literacy rate, the average years of schooling, and life expectancy ranking, alongside Gross Domestic Product (GDP) per capita income as benchmark for measuring development, under the assumption that higher national income translates directly into a higher level of development (United Nations Development Programme, (UNDP) 2018) It is true that, if one compares a country's ranking in terms of its HDI with its ranking in terms of its GDP per capita, one may make some useful conclusions about the country's success in translating the benefits of national income into achieving national development (United Nations Development Programme (UNDP), 2015). It is therefore, pertinent to note that, the HDI is a composite that brings together three variables; a long and healthy life, improved education, and a decent standard of living (United Nations Development Programme (UNDP), 2015), which can only be achieved through robust globalization.

Key attributes of national development
There is key attribute to national development which includes: Freedom and fundamental human rights, Involvement of citizen's in taking decisions that affects them, Institutions governing social interactions should fail to all, A system that enables citizens to hold accountable their decision makers, Equal opportunities for all irrespective of background, nationality, race, ethnic and gender extra. In a related World Bank's World Development Report (1991) cited in Mohammed et.al (2013), national development attributes are as follows: Better and qualitative education; Clean environment; Effective and efficient utilities; Adequate and functional social and economic infrastructures; High quality of health and nutrition; -Increased and equality of opportunities.

Theoretical Review
This model is built on the interdependence theory (keohane and Nye, 2001) / dependency theory. The theory emphasized the critical need for mutual and bilateral interaction between nations for economic, political, and social benefits of the citizens. /dependency theory perspective. This theory aims to investigate why underdevelopment persists in some countries. While most scholars would argue that underdevelopment is as a result of countries pursuing bad economic policies, or the presence of authoritarian regimes and corrupt leaders, Dependency theorist argues that the way in which periphery countries integrates into the global economy and the inequality in international system has hampered on the growth of underdeveloped nations. Dependency theory perspective on development is very different from the way modernization theory, and neoliberalism explains the problem of development as both theories focus particularly on the internal problems that fuel underdevelopment.

Dependency theory, in contrast, focuses primarily on the external causes of underdevelopment. The theory main argument is that developed countries who represent the core of the global capitalist system have systematically impoverished underdeveloped and developing countries that account for the periphery of the global economy (Chase-dunn 1975)

Challenges of Globalization on National Development in Nigeria
The challenges of globalisation on national development in Nigeria includes:
Insecurity; globalization has eased communication around the globe and technological advancements has made it possible for criminals to link up and perpetrate high degree of crimes such crimes against humanity for instance terrorism, Boko haram activities in Nigeria linked to the Al-Qaeda and Islamic State of Iraq and Syria (ISIS)

Leadership; Over the years, the western powers have planted their puppets as leaders of the country using their agents within. Most of these leaders come into power to protect foreign interests rather than pursuing national development. This terrible state of affairs in Nigeria has impacted negatively on national development.

Environmental degradation and pollution; globalization has attracted a lot more interest in Nigeria's crude oil. The activities of western multinational companies such as Chevron, Shell, Total extra. has cause environmental damages in the Niger Delta region as result oil spills causing massive losses of marine lives and other economic valuables worth billions of dollars.

Trade imbalance; globalization aims to facilitate trade relationship between countries, but the trade relationship between colonised countries and their colonial masters is often characterised by exploitation and unequal bargaining power which lead to great imbalance in trade between the developed and underdeveloped countries. During the colonial era, Nigeria provides free labour to British plantations through slave trade in addition to cheap raw materials while they receive in return expensive finished good (Ikpamejo, 2010). The post-colonial era witnessed a shift to supply of crude oil by the countries in exchange for weapons and machinery.

International Capitalist System; capitalism has become a "World Order". Although an idea of the developed European countries such as United Kingdom, France, Germany extra. it has spread like the „wild fire" to all parts of the globe. Nigeria like other underdeveloped nations came in contact with it through colonialism and subsequently through trade and related activities. The desire to embrace the global concept created distortions to the existing national development programmes, forcing it to continuously depend on the developed world for growth and survival (Babawale, 2006). This constitutes a great challenge on the national development of Nigeria.

Brain Drain; Globalisation has caused a number of large-scale departures of talented, skills and educated people from one country to another, usually for better pay or living conditions (answers.com, 2010). Globalization has opened up the world and happenings around the globe are known with a "mere click" on the internet. The best brains from Nigeria have left the

country in search of a „greener pasture" in developed countries such as Europe and America. This has left the country short of the required human capital to attain national development. Nigeria is among the top three most affected countries in Africa (globalissues.org, 2010). Brain drain is a major threat to Nigeria's national development.

International Financial Institutions role; Although established to safeguard the interest of both developed and underdeveloped countries of the world, the International Monetary Fund (IMF) and the World Bank (IBRD) has been guilty of sympathizing with former at the detriment of the later (Isa, 2010). This biasness and purported imposition of relationship between the financial institutions and Nigeria through their deliberate policies have increased the level of dependency of the country on the developed countries rather than lessen them. In addition, these financial institutions are located in the United State thus, limiting their knowledge about the developmental requirements of Nigeria. They have however amidst this limitation gone ahead to impose economic policies that serve as drawbacks to the country's quest for national development and ends up increasing its problems rather than solving it. Common example is the Structural Adjustment Programme (SAP) of Babangida's regime.

Technological imbalance; globalization has been driven by technological advancements and most technological breakthroughs. Most of the technologies required to foster national development in Nigeria such as transportation, information and communication extra are imported from developed countries with strings attached. This has been considered a major impediment to Nigeria's National development.

Methodology
Model specification
Model specification explains the functional relationship between non-oil exports and economic growth in Nigeria variables. The study adopted the model of Apeh and Okpachu, (2019), which was modified to achieve the objectives of the study.

The functional form of the model is expressed as:
$$RGDP_t = f(Globalisation)\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots1$$

The linear form of the model can be expressed as follows;
$$RGDP_t := \alpha_0 + \beta_1 DO_t + \beta_2 ER_t + \beta_3 EXC_t + \mu_t \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots.2$$

In order to allow for the inexact relationship among the variables as in the case of most economic variables, stochastic error term 'μ$_t$' is added to the equation. Thus, we can express the economic form of the model as:
$$RGDP_t = \alpha_0 + \beta_1 DO_t + \beta_2 ER_t + \beta_3 EXC_t + \mu_{tt}\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots3$$

Where;
$RGDP_t$ = Real Gross domestic product
DO_t = Degree of openness
ER_t = External Reserves

$EXCR_t$ = Exchange rate
μ   = the stochastic error term

In order to properly estimate the parameters of the postulated model, we rescale the dependent variable by logging it, thus, transforming it into a log-linear model as follows:
$$LOG(RGDP_t): \alpha_0 + \beta_1 LOG(DO_t) + \beta_2 LOG(ER_t) + \beta_3 LOG(EXCR_t) + \mu_t \dots\dots\dots\dots 4$$

Apriori Expectations
On apriori ground is expected that the independent variables should have positive impact on the dependent variables. $_0$ is the intercept, $\beta_1, \beta_2 \beta_3 > 0$

Nature and Sources of Data
The research relied mainly on secondary data published by the Central Bank of Nigeria (CBN). These annual time series data for analysis related to key macroeconomic variables and economic growth in Nigeria. The annual time series data with respect to Domestic product (RGDP), Trade openness (TO), External reserves (ER), as well as Exchange rate (EXC) were obtained from the statistical bulletin of the Central Bank of Nigeria (CBN) and National Bureau of Statistic (NBS) and world Bank database. The period covered for this study is from 1990 to 2021

Methods of Data Analysis
The analysis of the data collected for the purpose of this research shall be carried out using quantitative, analytical techniques which involves running a regression of the specified economic model using appropriate estimation techniques. In a bid to avoid the phenomenon of spurious regression, the data were subjected to diagnostic investigation to determine their stationary status as well as the trend trajectory or the data.

Data Presentation
Trend Analysis
The trends in the variables are captured in separate figures below. This is to give an insight regarding the existence of any unique characterization of the variables over the study
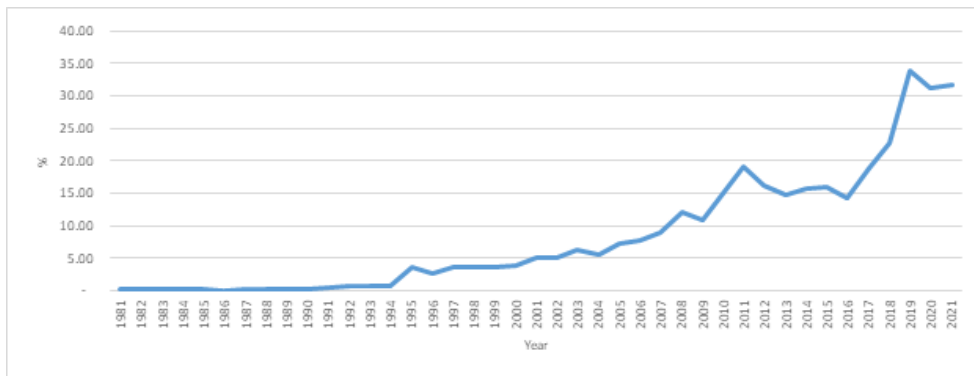
Figure 1: A line chart showing distribution of trends of Nigeria's real Gross Domestic Product (=N= Million) from 1981 -2021
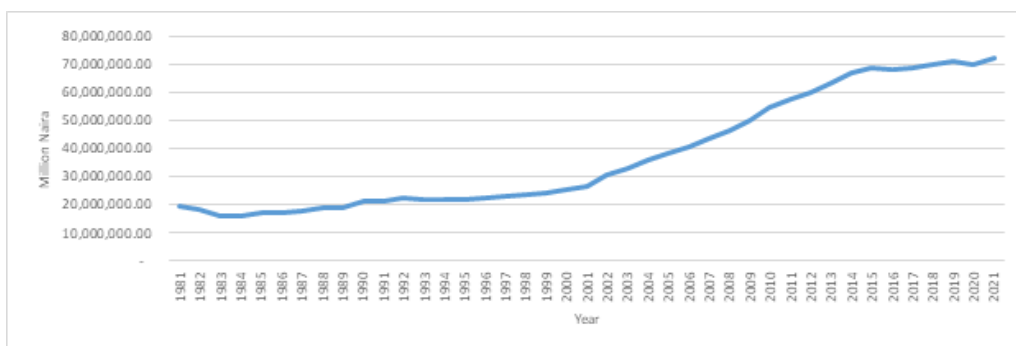
Source: Author's computation, 2021 using E-views 9.0

An examination of fig. 1 above showed that real gross domestic product (RGDP) is in upward trend. The figure also reveals that GDP is generally stable during the period 1981-2020. The time series data on appendix 1 underscore the upward trend in RGDP. The data showed that real gross domestic product (RGDP) which stood at =N=19,549,562.85 million in 1981 rose consistently to =N=72, 393, 673.44 million in 2021. This indicates that GDP has an upward trend (see appendix 1 attached.
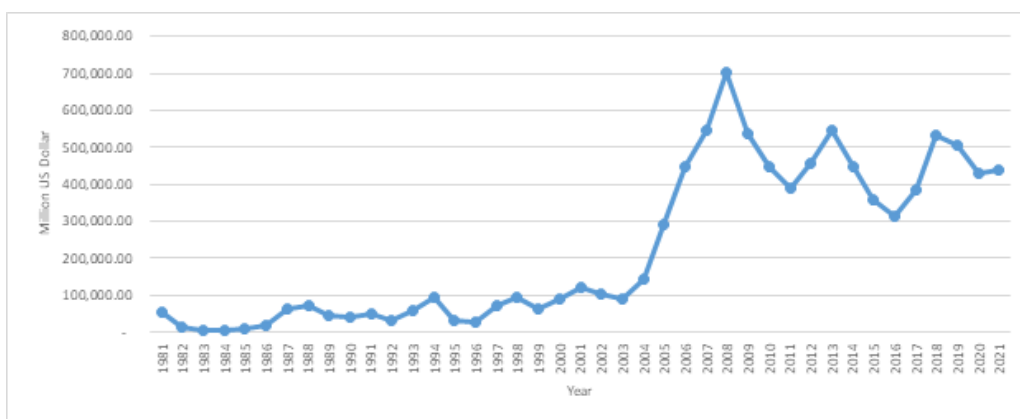
Figure 2: A line chart showing distribution of trends of Nigeria's Degree of Openness (%) from 1981 -2021

Source: Author's computation, 2021 using E-views 9.0

Fig. 2 above showed that degree of openness (DO) is stable from 1981 to 1994 and generally in zigzag trend, reaching its maximum in 2019. The figure shows that DO in Nigeria was not stable between 1994 and 2021 while stable from 1981-1994. The initial instability in DO experienced in Nigeria could be due to government foreign policies.

Figure 3: A line chart showing distribution of trends of Nigeria's External Reserves (Million US Dollar) from 1981 -2021

Source: Author's computation, 2022 using E-views 9.0

An examination of fig. 3 above showed that external reserves (ER) is generally in zigzag upward trend. The figure also showed that external reserves in Nigeria was not stable between 1981 and 2021. External reserve (ER) increases consistently from 56,194.80 U S dollar in 1981 to 439,584.35 in 2021. It has an upward trend (see appendix 1 attached).

Figure 4: A line chart showing distribution of trends of Nigeria's Exchange rate ($) from 1981 -2021
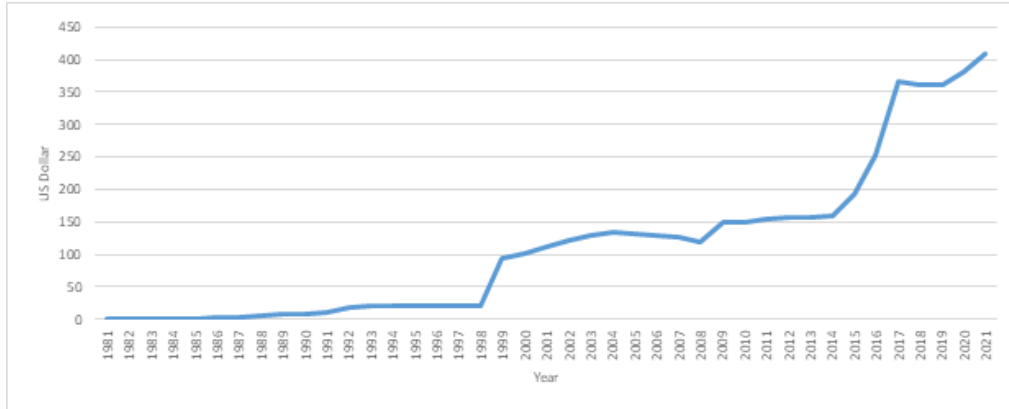
Source: Author's computation, 2021 using E-views 9.0

An examination of fig. 4 above showed that exchange rate (EXHR) is stable from 1981 to 1998 and generally in zigzag upward trends. The figure also showed that foreign exchange rate in Nigeria was not stable between 1998 and 2021. Exchange rate (EXHR) increases consistently from =N= 0.61 per U S dollar in 1981 to =N= 409.08 per one dollar in 2021 (i.e, the exchange value of naira in terms of U. S dollar falls consistently in the 1981-2021). It has an upward trend (see appendix 1 attached).

Table 1: Summary of Descriptive Statistics

Descriptive Statistics	LRGDP	DO	LR	EXR
Mean	7.5156	8.3840	5.0601	113.1227
Median	7.4258	4.9560	4.9792	111.9400
Maximum	7.8597	33.8499	5.8461	409.0800
Minimum	7.2054	0.1000	3.7388	0.6100
Std. Dev.	0.2317	9.4296	0.5869	120.1258
Skewness	0.2670	1.2206	-0.4470	1.1112
Kurtosis	1.4966	3.6859	2.2061	3.3446
Jarque-Bera	4.3482	10.9847	2.4420	8.6403
Probability	0.1137	0.0041	0.2949	0.0133
Sum	308.1388	343.7424	207.4644	4,638.0300
Sum Sq. Dev.	2.1471	3,556.6860	13.7772	577,208.1000
Observations	41	41	41	41

Source: Author's computation, 2021 using E-views 9.0

The table 1 reveals that Gross domestic product (GDP) has a mean of 7.5156 and varies from a minimum of 7.2054 to a maximum of 7.8597 and a standard deviation of 0.2317 with a probability value of 0.1137. Degree of openness (DO) has a mean of 8.3840 and varies from a minimum of 0.1000 to a maximum of 33.8499 and a standard deviation of 9.4296 with a probability value of 0.0041. External reserve (ER) has a mean of 5.0601and varies from the minimum of 3.7388 to a maximum of 5.8461 with a standard deviation of 0.5869 and probability of 0.2949. Furthermore, exchange rate (EXR) has a mean of 113.1227 and varies from the minimum of 0.6100 to a maximum of 409.0800 with a standard deviation of 120.1238 and probability value of 0.0133. Consequently, real gross domestic product, degree of openness, lending rate, and exchange rate, were positively skewed.

Results of Tests Conducted
The results of tests conducted are summarized, presented in tabular form and analyzed below: The tests conducted are: unit root, and autoregressive distributive lag (ARDL) Model.

Unit Root Test
Dickey-Fuller (1979) stated that there is likelihood of obtaining spurious results if the series that generated the results are non-stationary. This is why this study investigated the time series properties of the data by conducting unit root test for stationarity using Augmented Dickey-Fuller (ADF) method. The results are presented on table 2 below.

Table 2: Summary of the description of variables and their corresponding unit and sources

Variable	Description	Unit	Source
RGDP	Real Gross Domestic Product	Million Naira	NBS
DO	Degree of Openness	Percentage	Derived
ER	External Reserves	Million Dollar	CBN
EXR	Exchange Rate	US Dollar	CBN

Source: Researcher's own computation

Table 3: Augmented Dickey-Fuller (ADF) Unit Root Test

Series	ADF Test Statistics	5% Critical Value	Probability Value	Order of Cointegration
RGDP*	-3.979338	-2.938987	0.0038	1(1)
DO	-4.603675	-2.954021	1.0000	1(0)
ER	-3.969684	-2.945842	0.0041	1(1)
EXR	-4.501740	-2.938987	0.0009	1(1)

Source: Author's computation, 2019 using E-views 9.0

The results of unit root test shown on table 3 above revealed that all the absolute values of ADF test statistics for RGDP, DO, ER and EXR are greater that their critical values at 5% implying that RGDP, DO, ER, and EXR are stationary at 5%, It is integrated of order 1, and 0 that is, I(1) and 1(0). The results also showed that all the variables are stationary at both 5% since their absolute value of ADF statistics are respectively greater than their critical values at 5%.

Table 4: Regression of RGDP $= \alpha + \beta_1 DO + \beta_2 ER + \beta_3 EXR + U_t$ from 1981-2021

Dependent Variable: LRGDP
Method: ARDL
Date: 12/27/22   Time: 22:05
Sample (adjusted): 1983 2021
Included observations: 39 after adjustments
Maximum dependent lags: 4 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (4 lags, automatic): DO LER EXR
Fixed regressors: C
Number of models evalulated: 500
Selected Model: ARDL(1, 0, 2, 1)
Note: final equation sample is larger than selection sample

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
LRGDP(-1)	0.922355	0.058232	15.83926	0.0000
DO	-0.001124	0.001216	-0.924232	0.3625
LER	0.028646	0.018430	1.554274	0.1303
LER(-1)	0.007891	0.022657	0.348294	0.7300
LER(-2)	0.006311	0.016719	0.377497	0.7084
EXR	-0.000108	0.000136	-0.791625	0.4346
EXR(-1)	0.000188	0.000169	1.110392	0.2754
C	0.383486	0.365333	1.049690	0.3020

R-squared	0.995455	Mean dependent var		7.527876
Adjusted R-squared	0.994429	S.D. dependent var		0.230892
S.E. of regression	0.017233	Akaike info criterion		-5.103271
Sum squared resid	0.009207	Schwarz criterion		-4.762028
Log likelihood	107.5138	Hannan-Quinn criter.		-4.980836
F-statistic	970.0394	Durbin-Watson stat		1.691236
Prob(F-statistic)	0.000000			

*Note: p-values and any subsequent tests do not account for model selection.

Source: Output of E-Views 9.0, 2021.

Model:
LRGDP = 0.383-0.001DO+0.029ER-0.0001EXR+U_t
        (1.0496) (-0.924) (1.554)   (-0.7916)
Where;
RGDP =   Real Gross Domestic Product
DO   =   Degree of openness
ER   =   External reserves
EXR   =   Exchange rate

Discussion of Results

The result on table 4 above revealed the following:

The equation shows that α = 0.383 which is the intercept. This is the base level of prediction for the dependent variable when all the independent variables are equal to zero. The coefficients of the independent variables measure how a percentage change in independent variables affect the dependent variable.

i. 1 percent increase in degree of openness leads to about -0.001% decrease in real gross domestic product (RGDP). It was found that coefficient of DO is negative, indicating negative relationship between DO and RGDP in the periods 1981-2021, and this is in line with a priori, particularly in an import dependent economy when energy cost and exchange rate affects the economy negatively. This result is statistically insignificant at 5 percent as the p-value of 0.3625. The standard error measures the statistical reliability of the coefficient estimates- the larger the error, the more statistical noise in the estimates. The standard error is 0.001216 percent which is small or significant and thus shows that DO is statistically reliable to predict RGDP in Nigeria.

ii. 1 percent increase in external reserve (ER) leads to about 0.029% increase in real gross domestic product (RGDP). It was found that coefficient of ER is positive, indicating positive relationship between ER and RGDP in the periods 1981-2021, and this is in line with a priori. This result is statistically insignificant at 5 percent as the p-value of 0.1303. The standard error measures the statistical reliability of the coefficient estimates- the larger the error, the more statistical noise in the estimates. The standard error is 0.018430 percent which is small or significant and thus shows that ER is statistically reliable to predict RGDP in Nigeria.

iii. 1 percent increase in exchange rate (EXR) leads to about -0.000108 percent decrease in real gross domestic product (RGDP). It was found that coefficient of EXR is negative, indicating negative relationship between EXR and RGDP in the periods 1981-2021, and this is in with a priori expectation. This result is statistically insignificant at 5 percent level as the p-value of 0.2754. The standard error measures the statistical reliability of the coefficient estimates- the larger the error, the more statistical noise in the estimates. The standard error is 0.00136 percent which is small or significant and thus shows that EXR is statistically reliable to predict RGDP proxies for sustainable development in Nigeria.

Conclusion and Recommendations

This research study has so far examined the effects of some selected macroeconomic variables on economic growth in Nigeria employing Unit root test and ARDL approach. Specific references were made to the relevant macroeconomic variables complementary to foreign policies such as external reserves and exchange rates. Empirical results reveal that external reserves, exchange rates and other related variables considered for the analysis jointly had insignificant effect on economic growth in Nigeria during the period under review, implying that external reserves rate and exchange rate are an important determinant of productivity in Nigeria. The real Gross Domestic Product is the dependent variable proxied by economic growth. The result shows that there is positive and significant impact of ER while DO and EXR have negative impact on economic growth in Nigeria. The study therefore

recommended that, government should provide enabling macroeconomic environment particularly right foreign policies in place in terms of providing policies that will boast the local production in order to increase output to cushion effects of high cost of the goods and services as well as increase forex supply to maintain stability of the exchange rate.

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Appendix 1: Original Data Sourced (=N= Million)

Year	RGDP (=N= Million)	Degree of Openness (%)	External Reserve ($)	EXR ($)
1981	19,549,562.90	0.12	56,194.80	0.61
1982	18,219,268.31	0.12	12,324.30	0.67
1983	16,228,807.10	0.12	7,171.40	0.72
1984	16,048,307.75	0.11	5,479.70	0.76
1985	16,997,518.27	0.11	11,781.70	0.89
1986	17,007,774.68	0.10	18,922.05	2.02
1987	17,552,103.47	0.16	62,554.26	4.02
1988	18,839,550.06	0.17	72,266.83	4.54
1989	19,201,164.60	0.22	43,953.22	7.39
1990	21,462,733.72	0.26	40,293.19	8.04
1991	21,539,613.83	0.47	48,620.03	9.91
1992	22,537,095.78	0.68	33,391.94	17.3
1993	22,078,072.14	0.80	58,824.15	22.05
1994	21,676,851.42	0.80	95,329.02	21.89
1995	21,660,487.07	3.54	32,345.00	21.89
1996	22,568,866.73	2.54	25,895.59	21.89
1997	23,231,123.13	3.69	73,492.11	21.89
1998	23,829,758.43	3.56	93,776.74	21.89
1999	23,967,591.42	3.64	63,709.20	92.69
2000	25,169,538.79	3.96	91,089.20	102.11
2001	26,658,621.29	5.14	123,329.83	111.94
2002	30,745,192.06	4.96	103,104.08	120.97
2003	33,004,796.34	6.34	91,701.66	129.36
2004	36,057,737.78	5.54	144,753.06	133.5
2005	38,378,796.06	7.33	291,849.31	132.15
2006	40,703,681.38	7.66	449,473.06	128.65
2007	43,385,877.08	9.04	544,731.68	125.83
2008	46,320,014.94	12.12	701,674.60	118.57
2009	50,042,360.65	10.94	536,428.19	148.88
2010	54,612,264.18	14.90	448,268.46	150.3
2011	57,511,041.77	19.05	390,963.35	153.86
2012	59,929,893.04	16.24	457,105.93	157.5
2013	63,218,721.73	14.88	547,355.44	157.31
2014	67,152,785.84	15.64	446,644.00	158.55
2015	69,023,929.94	15.98	357,665.80	193.28
2016	67,931,235.93	14.26	312,652.43	253.49
2017	68,490,980.34	18.91	386,713.49	365.58
2018	69,799,941.95	22.84	534,300.80	362.05
2019	71,387,826.67	33.85	506,988.75	361.93
2020	70,014,371.85	31.30	429,493.67	382.08
2021	72,393,673.44	31.65	439,584.35	409.08

Source: Source: National Bureau of Statistics and Central Bank of Nigeria's Bulletin, 2021

Appendix 2: Transformed Data

Year	LRGDP	DO	LER	EXR
1981	7.29	0.12	4.75	0.61
1982	7.26	0.12	4.09	0.67
1983	7.21	0.12	3.86	0.72
1984	7.21	0.11	3.74	0.76
1985	7.23	0.11	4.07	0.89
1986	7.23	0.10	4.28	2.02
1987	7.24	0.16	4.80	4.02
1988	7.28	0.17	4.86	4.54
1989	7.28	0.22	4.64	7.39
1990	7.33	0.26	4.61	8.04
1991	7.33	0.47	4.69	9.91
1992	7.35	0.68	4.52	17.30
1993	7.34	0.80	4.77	22.05
1994	7.34	0.80	4.98	21.89
1995	7.34	3.54	4.51	21.89
1996	7.35	2.54	4.41	21.89
1997	7.37	3.69	4.87	21.89
1998	7.38	3.56	4.97	21.89
1999	7.38	3.64	4.80	92.69
2000	7.40	3.96	4.96	102.11
2001	7.43	5.14	5.09	111.94
2002	7.49	4.96	5.01	120.97
2003	7.52	6.34	4.96	129.36
2004	7.56	5.54	5.16	133.50
2005	7.58	7.33	5.47	132.15
2006	7.61	7.66	5.65	128.65
2007	7.64	9.04	5.74	125.83
2008	7.67	12.12	5.85	118.57
2009	7.70	10.94	5.73	148.88
2010	7.74	14.90	5.65	150.30
2011	7.76	19.05	5.59	153.86
2012	7.78	16.24	5.66	157.50
2013	7.80	14.88	5.74	157.31
2014	7.83	15.64	5.65	158.55
2015	7.84	15.98	5.55	193.28
2016	7.83	14.26	5.50	253.49
2017	7.84	18.91	5.59	365.58
2018	7.84	22.84	5.73	362.05
2019	7.85	33.85	5.70	361.93
2020	7.85	31.30	5.63	382.08
2021	7.86	31.65	5.64	409.08

Source: Researcher's own computation