The Impact of Global Capitalism on Economic Development in Nigeria

By

Tomiloba Olaniyi Quadri

A Thesis

Submitted in partial fulfillment of the requirements for the degree of Master of Arts in Public Policy in Helms School of Government in the graduate school, Liberty University

Liberty University

August 2021

Signature Page

HELMS SCHOOL OF GOVERNMENT

MASTER OF ARTS IN PUBLIC POLICY

ID Number: L31067106

Last Name: Olaniyi Quadri First Name: Tomiloba Student Signature: _______________

Date:

Thesis Title: The Impact of Global Capitalism on Economic Development in Nigeria

Committee Decision:

Chair: Dr. Yuri Tuppince Chair Signature: ____________________________________

Reader: Dr. Christopher Sharp Reader Signature: __________________________________

ABSTRACT

The topic of this research, the impact of global capitalism on economic development in Nigeria, sought to understand the role global capitalism has played in Nigeria's economic development. Nigeria is presently considered a third-world country; however, researchers and economic observers expect that, based on the number of resources in the country, the standard of living of its citizens should be a lot better than it is currently. It is relevant to question why this is so, especially given that capitalism, which is so successful in many developed countries today, was introduced to Nigeria officially in 1986 by the World Bank through the structural adjustment plan. Through the scientific research process, this research examines why this is so and whether capitalism has aided or hindered development.

While it is possible to argue that if Nigeria is underdeveloped today, capitalism has not done it any good, the country's underdevelopment may not entirely be the fault of capitalism. Instead, it may have been caused by other intervening variables. This research examined the role of all those intervening variables in creating underdevelopment in Nigeria.

Variables such as slavery, colonialism, and imperialism were examined to analyze their impact on the level of development in Nigeria. A neo-liberal view was also examined to balance the neo-Marxist view and other radical perspectives to understand Nigeria's problems. Finally, internal factors such as corruption and conflicts were also examined to have an overview of the internal perspective of the problems of development in Nigeria.

However, being the focus of this research, more critical analysis and data gathering was performed to examine the role of global capitalism on development in Nigeria. The literature review examined different contrasting opinions to understand where the debate lay on the topic

at hand. Dependency theory was also introduced as the theoretical framework for analyzing the subject matter and interpreting the different scholars' arguments on the topic. Finally, global capitalism and economic development concepts were x-rayed to know from an in-depth perspective what these concepts mean and how they interact with other intervening variables affecting Nigeria's development.

In the research methodology, a quantitative analysis was employed with the causal approach. Secondary data that the World Bank had already gathered were also relied on and analyzed through statistical methods such as descriptive statistics and linear regression analysis. Thereby, global capitalism was represented with numerical variables such as imports, crude-oil exports, and government expenditure. The purpose was to employ variables representing global capitalism in numerical calculable forms.

The World Bank developed the Structural Adjustment Plan (SAP) to introduce capitalism to Nigeria in 1986. These SAP pre-conditions were increasing importation, increasing exportation of crude oil, and reducing government spending. These three key variables were the central part of the Structural Adjustment Plan along with currency devaluation. The significance of 1986 is that the SAP was adopted in Nigeria for the first time, leading to its embracing capitalism.

In conclusion, after data analysis and interpretation, the evidence of scientific research asserts that global capitalism has positively affected development in Nigeria. Hence, while seeking the answer to the underdevelopment question in Nigeria, one could conclude that global capitalism is not the cause of underdevelopment, but in its capacity, it has aided development in Nigeria. Additionally, recommendations were made that other variables such as corruption and insecurity could be examined in the future as directions for further research.

Dedication

This project is dedicated to The Great Shepherd, The Almighty God, to my late father, Mr. Shakiru Olaniyi Ishola Jaiyeola-Quadri, and my wonderful niece, Daniela, and nephews Daniel and Emmanuel.

Acknowledgment

What God cannot do does not exist, for this, I give all glory to Him.

My special appreciation goes to my Thesis Chair, Dr. Yuri Tuppince, and Reader, Dr. Christopher Sharp, for their assistance, patience, and encouragement through this research. May God increase them in wisdom, knowledge, and understanding.

My deep appreciation goes to Alhaji Tajudeen Adekunle Salaudeen, Chairman of TAAS Group of Schools, Ibadan, who has always remained a pillar of support for me.

To Alhaji Lateef Ashimi and his family, Mr. Tosin Balogun, Pastor Ayo Laleye, Pastor Charles Izudu, and family, Pastor (Mrs.) Beatrixe Egunleti (Nana) and Pastor (Mrs.) Comfort Afainiya, may God bless you all.

My gratitude also goes to Temitope George, Oyinkansola Adepegba, Mary Tom-Pius, Adeleye Akinlagun, and Olanrewaju Adebona for their support and encouragement through the years.

To my Fiancé and best friend, Opemipo Adepegba, thank you for the prayers and support. May we share more accomplishments in our life’s journey together.

Words cannot express how grateful I am to my ever-loving Sister, Adeola Ideraoluwa Ajibola, for her support and prayers and her better half, Mr. Abimbola Ajibola, for his support both morally and financially.

Finally, and most importantly, I owe a deep appreciation to my mother, Mrs. Folashade Adebimpe Amope Jaiyeola-Quadri, Omo Shekoni Aba odi teni, Omo Anikulapo, Omo Aseke Shaun. You are a Proverbs 31 mother.

Table of Contents

List of Tables

List Of Figures

List of Abbreviations

Gross Domestic Product Per Capita (GDPPC)

Imports (IMP)

Export of Crude Oil and (EXP_CO)

Government Expenditure (GE)

Structural Adjustment Plan (SAP)

Chapter One: Introduction

Capitalism originated in European economies over 200 years ago and continues to be prominent globally, thereby encouraging global interaction amongst countries in trade, cultural, and technological exchange and offering a chance to expand their markets locally and internationally. The natural expansion of capitalism and the inevitable global search for resources and markets have introduced developing countries to the roles of price systems, comparative advantage, and market forces.

For over 60 years now, since the end of colonialism, third-world countries have participated in capitalism and global trade while opening their economies for globalization as a presumed path to economic growth and development, which their countries need so urgently. This research attempts to explain how capitalism's global system has impacted third-world countries' nature and development levels, particularly Nigeria. Being the country with the highest GDP in Africa (Trading Economics, 2019); Nigeria is also the most populous black nation, with about 208 million people.

It is also blessed with a vast array of natural resources such as petroleum, natural gas, tin, iron ore, coal, limestone, niobium, lead, zinc, and arable land encouraging robust agriculture (OPEC, 2021). Apart from sharing a similar colonial and political history with many other African and third world nations, Nigeria mirrors the economic reality of many African countries, making it a good example and an adequate representation of the third world's travails in economic development.

Statement of the Research Problem

Capitalism has proven historically to ensure and maintain development in nations (Jahan & Mahmud, 2015) evidenced in the experience of many countries in Europe, America, some in Asia, and other parts of the world. It's inevitable growth into a global phenomenon, as predicted, and the participation of African countries in the system creates an assumption that steady, if not immediate, signs of development should be obvious.

Unfortunately, this is not the case as many African countries are still underdeveloped, with more than half of their populations living in poverty (Nwakwo, 2018); it is, therefore, essential to understanding the impediments to third world development, particularly Nigeria, from a holistic approach, even as they participate actively in global capitalism. Almost all African countries participate in one form of capitalism or the other (Edozie, 2017), but unlike a few examples such as South Africa and recently, Ghana, the free-market system's experience has not been favorable to most of them.

The array of human capital, economic, and natural resources in the third world also makes one wonder why these countries continue to be subjected to such prolonged harsh economic conditions. Looking inwards, to understand the problems, Barbier (2003) asked a critical question; "is it possible that resource-abundant economies are not reinvesting the rents generated from natural resource exploitation into productive assets or that resource booms divert economic resources from the more productive and innovative sector?"

The reality remains that third-world countries continue to toil with no clear path to development; instead, there is a blame game within the polity and among the academic class.

Therefore, this research will attempt to answer the following research question: What impact does global capitalism have on economic development in Nigeria?

Purpose and Significance of the Study

As a result of the problems of underdevelopment in third world countries, various African scholars and writers have lent their opinions and voices in explaining the reasons for this economic state; this has created an intellectual and ideological divide within academia concerning the significant causes of African countries' economic problems (Kutor, 2014).

Some writers believe that the problems created by Africa's colonial history, the foundation of nation-building, and the constant participation in an exploitative global capitalism system continue to under-develop Africa (Edozie, 2017). Others believe that African countries should look inward at their governments and economic policies if they want to understand the causes of their problems (Agbiboa, 2010). However, one thing that continues to be true is that understanding the very nature of a problem and its origin is always essential if one hopes to find a working solution to such a problem.

Therefore, the purpose of this research is to critically examine the role and impact global capitalism has had on development in Africa, using Nigeria as a point of departure. The research will achieve this by considering the effects of historical, internal, and external factors that have affected development in third-world countries and evaluating to what extent the external factors, such as global capitalism, have contributed to Nigeria's economic reality.

Research Question and Hypotheses

This research will attempt to answer the following research question; Does global capitalism impact economic development in Nigeria?

Null Hypothesis: Global capitalism negatively impacts economic development in Nigeria

Alternative Hypothesis: Global capitalism positively impacts economic development in Nigeria

Introduction to the Literature Review

Since evaluating the existing related literature is essential to ensure that this research sufficiently answers the above research questions, this chapter will serve that purpose and build a foundation upon which the variables are measured through logical analysis. Additionally, while the earlier sections introduced the major concepts within this research, it is essential to note that many noteworthy scholars have examined these concepts and issues in one context or the other. Therefore, drawing from their scholarship is critical while juxtaposing them with opposing but equally persuading arguments.

Underdevelopment in Africa has been considered from different perspectives. Some argue that historical factors such as slavery and colonialism contributed to the present status of third-world countries; others blame the post-colonial exploitation of third world countries by Europeans, which perpetuates poverty and under-development in the form of imperialism and neo-colonialism enabled by globalization and the global capitalist system. However, another school of thought believes that despite the historical antecedents and experiences of the third world, their most significant problems originate from the corruption, mismanagement, and impunity of these nations' political classes.

Theoretical Orientation for the Study

This section introduces the theoretical framework of analysis in this research. It also expresses the assumptions and limitations of the theory as a tool of analysis. For this research, a neo-Marxist approach known as the dependency theory will be used.

Dependency Theory

Dependency theory was developed in the late 1950s by Raul Prebisch and is an outgrowth of the neo-Marxist school of thought (Reyes, 2001). Dependency is a historical condition shaping the structure of the world economy favoring some countries to the detriment of others (Adebisi, 2016). It limits the development possibilities of the subordinate's economics, a situation in which the economy of a particular group of countries is conditioned by the development and expansion of another economy, to which their own is subjected (Dos Santos 1971; Kay 2019). This theory creates a practical approach to investigating global capitalism's role in Nigeria's development or otherwise.

The dependency school believes that the world is divided into two parts, the center-industrialized countries and the periphery/the underdeveloped countries and that this structure also exists within a state (Abgebi & Virtanen, 2017). To them, this division creates a relationship of interdependence between two or more economies or between such economies and the world trading system, which becomes a dependent relationship when some countries can expand through self-impulsion while others in a dependent position can expand only as a reflection of the expansion of the dominant countries, which may positively or negatively affect their immediate development (Kay, 2019).

Dependency theorists further argued that a small, weak nation, though theoretically independent, will tend to adopt a foreign policy attuned to the superpower's interests within whose sphere of influence it lies. The relations of the small, weak nations are primarily with the superpower that dominates them and the other members of the same bloc, but their direct relations with countries in a similar position are minimal (Tausch, 2011). Additionally, they thought that the industrialization of dependent countries potentially can overcome economic dependence. If the dependent economies obtain a high degree of productive autonomy and develop a vital sector (of machines and industrialized raw materials), foreign capital would lose its capacity to determine the character of their development (Kay, 2019).

Some writers have also added that a high penetration by foreign capital, a heavy technological dependence, and the overall subordination of the peripheral countries' productive capacities to the interests of the evolving international division of labor would be the lot of the periphery and semi-periphery countries (Tausch, 2011) and that all of these would also inevitably require modifications in the state's role to guarantee both the economy's functioning and the political articulation of a society, which contains, within itself, foci of inarticulateness and structural imbalance (Tausch, 2011).

As relevant as this theory has been as a foundation for understanding some of Africa's underdevelopment problems and, in this case, Nigeria's, it has some analytical gaps and deficiencies like any other theory in social science. For instance, Romaniuk (2017) argued that, although the theory has served various disciplines in the analysis and explanation of the persistent poverty of underdeveloped countries, it has significantly failed to explain the rise of the newly industrialized countries of East Asia (Hong Kong, South Korea, Taiwan, and Singapore), as well as those of Southeast Asia (Indonesia, Malaysia, and Thailand). Additionally, the theory also presumes that all developing countries share the same traits (Romaniuk, 2017).

Also, dependency theory is limited in its analytical ability in sectors beyond manufacturing. Moreover, India's transition to an open market system presented further challenges for dependency theorists. There are fewer supporters of dependency theory today than decades ago. Some think dependency theory to be a less relevant conceptualization of the arrangement of wealth, whereas others claim that it is still applicable to the study of state impoverishment and the world system in the 21st century (Romaniuk, 2017).

Chapter Two: Literature Review

Review of Research Literature and Methodological Literature Specific to the Topic

This section analyzes the concepts and issues relevant to the research and aggregates the different views of multiple writers on each concept.

Global Capitalism and Economic Development

Capitalism is a concept and way of life with different dimensions; while some believe it broadens economic opportunities, others recognize it as an exploitative system leading to the loss of the traditional way of life. Capitalism has the potential for both positive and negative effects on development, just like any other economic system, mainly depending on how its essential elements are applied; unfortunately, in many societies, governments violate these principles, making it impossible to defend the proposition of the existence of pure capitalism (Ali, 2016). Furthermore, many countries do not even practice capitalism in the purest form, making it challenging to determine whether capitalism is responsible for developing these countries.

Abbas Ali added that the reality is that even in the developed countries, capitalism is not practiced in its purest forms, yet it bears fruits. Irrespective of criticisms of capitalism, the system has extensively contributed to human prosperity, especially in the West, emancipating people from poverty in emerging economies and deepening hopes in a population segment (Ali, 2016).

While examining underdevelopment through the impact of emigration on Africa, he compared the rate at which Africa's best minds tend to emigrate abroad to other Western nations to the African human capital drain of the slavery era. Simultaneously, it can be argued that slavery represents an involuntary movement of people and emigration a voluntary one; the argument here is that the underdevelopment that slavery contributed to is also a factor encouraging mass emigration today. According to the writer, this has contributed to the brain drain in third-world countries and underdevelopment. Ali believes that developing nations urgently need development strategies to be implemented independently of foreign powers and institutional influence. His approach to dealing with this question was well-rounded because he talked about one aspect of global capitalism's imposition and looked at the roles that internal factors such as corruption played.

However, Ali warned against the flawed assumption that capitalism is the only immediate solution to economic difficulties in developing nations, which represents a dogma rather than creative thinking. He instead believed that it is incorrect or impossible to assume that every country, especially third world countries, would fit into capitalism and receive the same result that western nations are obtaining even when practiced in the near-perfect form, barring government interventions or manipulations.

In a similar line of thinking, Rita Edozie argued that one of the development problems in third world countries and Africa, particularly today, is the system of inferiorization of the African way of life. According to her, the West's explanation of Africa's social conditions and underdevelopment defines Africans' low human capital as a product of African culture. She argued that western progressives objectify Africa as more like a natural reserve available for appropriation and intentionally misinterpret or misrepresent Africa's problems and the significant causes of her underdevelopment to shift focus away from imperialism. Powerful international financial institutions are interested only in celebrating growth achieved through exploitation of Africa, the eviction of the poor, exclusion of the masses from the economic process, and the destruction of African waters, forest biodiversity, and culture (Edozie, 2017).

The writer called for the Africanization of the economies in Africa or a simple focus on Pan Africanism through Afrocentric ideas to run the regional economy, noting that, while Africa and the third world cannot cut themselves off the system of global capitalism, through the integration of Afrocentric ideas and culture, capitalism can assist in the development of Africa. This will ensure that Africa's core values are maintained even as we apply developmental principles. Edozie concluded that any economic principle or policy that is to be applied in an African nation and is devoid of the specific essential elements of the African culture would be repugnant to African development as it would lead only to exclusion and underdevelopment as is being experienced in Africa today.

Using an analytical and theoretical method, Rose Nwankwo noted that the dynamics of the trans-national structure of power in the global system of capitalism is most unfavorable to the Nigerian political economy because the activities of the agent of globalization extend beyond mere economic exploitation but even to influencing policy formulation and implementation in Nigeria. According to her, many of the most far-reaching socio-economic reforms have been influenced by the ascendancy of the market ideology imposed on Nigeria by industrialized capitalist countries under the World Bank and the IMF's control; these have transformed the nation's economy into an appendage of the western developed countries within the global capitalist system.

The writer used a neo-Marxist approach to examine the external factors that continue to impede development in countries such as Nigeria, contending that not only does Nigeria suffer from an exploitative relationship when engaging in global trade but also falls victim to the undue interference in the country's policy formulation and implementation processes. Thus, the situation is that that even in determining the implementation of economic policy, foreign agencies still drive policymaking and even investment in natural resources (Nwakwo, 2018); these, according to her, explain why Nigeria for several years has continued to grow in political and economic crisis relying only on the instruction and expert advice from western countries for elusive solutions.

Nwankwo's argument is not to say that there is no responsibility on these exploited nations' governments because they act as political stooges at the end of the day, who allow their countries to be exploited if they benefit personally. Even in cases where one administration's ineptitude or corruption is not the problem, there are cases where previous administrations have signed agreements with other countries and international organizations, which the present administration must honor.

She further emphasized that the globalization of the Nigerian state was nothing more than a new order of marginalization, exploitation, domination, control, and decolonization in a neo-colonial fashion presently implemented with and conditioned by colonial and neo-colonial tendencies (Nwakwo, 2018). This argument presupposes that globalization is simply a different side of colonialism, which is being fed to Nigeria and Africa, particularly in a different form. Globalization's changing faces reveal that its central and primary focus is to exploit Nigeria's resources, disintegrate its economy, weaken its political processes, and incorporate it into the international capitalist system. Until its mission is adequately determined, it will continue to make Nigeria vulnerable to external manipulation such that the capacity of the government to manage its resources is severely eroded (Nwankwo, 2018).

Olutayo, Olutayo, and Omobowale (2008) evaluated the impact of western perception on Africa's underdevelopment struggles. According to them, the problem of Africa originates from how Western Europe and America have defined its underdevelopment and how they have assumed that the imposition of western capitalism, free market, and democracy would serve as a panacea to underdevelopment in Africa; unfortunately, it has succeeded only in further complicating the problems.

When there is a lack of understanding of the fundamental problems of a particular society, the attempts to solve them will be futile and ineffective. These writers argued that part of Africa's problem is that when foreign countries, foreign superpowers, and international financial organizations even decide to offer aid to African countries, they impose conditions. Consequently, many African countries are forced to engage in SAPs and change their economic policy to align with the West's development strategies through globalization and foreign trade.

The SAP is an economic reform package suggested by the multilateral agencies (IMF and World Bank) for developing countries (Sulaiman, Migiro, & Aliko, 2014). Its core aims are to fuel local productivity, expand the economic base, realize viability in the balance of payments, reduce government expenditure, improve economic competence, and boost its growth potential (Poyi, The Effect of Recent Changes in the Financial Sector Development in Nigeria, 2006). As part of the SAPs, Nigeria, particularly in 1986, was advised to modify its economic policy by the World Bank to embrace capitalism. This adjustment program involved the following: increased importation of foreign products and finished goods; increased crude oil and raw materials exportation; and reduction of government expenditure as an austerity measure that involves raising taxes to fund spending, raising taxes while cutting spending, lowering taxes, and lowering government spending (Hayes, 2021). Other pre-conditions of the SAP include the balance of payments deficits reduction through currency devaluation, privatization, encouraging foreign direct investments, and many more methods.

Economic development is the expansion of capacities contributing to the advancement of society through the realization of individuals', firms', and communities' potential; these capacities include conditions conducive to promoting an array of intermediate outcomes setting the stage for the realization of potential or capabilities (Feldman, Hadjimichael, Kemeny, & Lanahan, 2014). For this research, economic development will be quantified by the standard of living, which GDP measures. The generally accepted measure of the standard of living is GDP per capita, which is a nation's gross domestic product divided by its population. The GDP is the total output of goods and services produced every year by everyone within the country's borders. Real GDP per capita removes the effects of inflation or price increases (Amadeo, 2020).

Gross Domestic Product (GDP), a widely used indicator, refers to all resident producers' total gross value added in the economy. The change in GDP measures growth in the economy at a constant price. Many world development indicators (WDI) use GDP or GDP per capita as a denominator to enable cross-country comparisons of socio-economic and other data (The World Bank, Economy, n.d.).

Slavery, Colonialism, And Imperialism

With the introduction of capitalism in Europe and the consequent drive to expand, capitalists traveled across the world searching for resources and new markets, which led to slavery, colonialism, and globalization. Eventually, slavery and colonialism ended, and through the independence of nation-states, globalization was entrenched, and post-colonial capitalist exploitation ensued through the global capitalist system (Rodney, 1972). Nigeria, a third-world country, shared this experience and kept its faith in this global system with the promise and hope of development; unfortunately, they still live-in poverty and under-development (Ake, 1981), leading scholars to question why.

The late African scholar Rodney (1972) argued that slavery ensured that the human capital of Africa was exploited during the first contact with Europe, wherein the youngest, healthiest, and most vibrant Africans were dragged away to develop the West. It has been noted that tribal wars and ethnic conflicts contributed to the slave trade that eventually occurred since slaves were readily available even before the Europeans came. However, ethnic, and tribal wars are not historically unique to Africa; even in Europe, wars and empire expansion occurred before nation-state building, and slaves were transported from one region to another. For instance, gladiators were slaves taken from one part of Europe to another, yet human capital did not leave the continent of Europe through slavery as it happened in Africa.

Parry (2020) added that the human capital that Africa needed at the time to build its society was ripped away from it, and this separation ensured that some of the best minds that could have helped in improving agricultural and industrialization and formed the best knowledge base for Africa were snatched away from it as human labor for other countries.

Parry also argued that while much literature by pro-capitalist writers tries to downplay the benefit of slavery on the capitalist free market, Atlantic slavery was the backbone of early global capitalism, the industrial revolution motor, and an experimental laboratory for its financialization (Parry, 2020). Hence, the writer argues that pro-capitalist writers always endeavor to diminish the importance of slavery to industrialization and capitalism's foundations to downplay the negative impact of slavery on African society's economies. This narrative implies that, if it is to be believed that slaves never contributed anything to the capitalist development in the West, then it can also be claimed that the loss of human capital in the third world did not have any impact on the nature of underdevelopment in those countries.

Parry believes that slaves from Africa filled the gap as cheap or free labor when the West did not possess the technologies to build its large industries. As a result, Africans were carted away to build the West's economies, simultaneously negatively affecting Africa. The continent's human capital needed to develop its agricultural systems, explore its natural resources, and prepare it for its Pan-African style economic development ideas had been taken away.

Adding to the above narrative, Ouma (2017) stated that primitive accumulation, a violent process where people were separated from their means of production and turned into wage laborers, was a significant foundation of capitalism in many parts of Europe. However, core economies' material wealth and industrial capacities could not have been developed without the racialized global political economy of slavery, imperialism, and former colonialism.

Neo-Liberal View

Liberals have argued that although Africa and the third world have had a debilitating experience with colonialism and slavery, the contact with Europe, which created colonialism and slavery, was necessary to hasten the development of those countries. While it may have had a negative effect, the benefits outweigh that loss, and the reason the third world has not seen the gains of capitalism and globalization rests on their government and economic policies. These scholars highlight those countries' internal problems as a source of perpetual under-development, noting corruption, policy failure, mismanagement, and the misappropriation of foreign aids and national resources. They also point to a lack of technology, arguing that countries without technology will find it challenging to industrialize or step ahead on the ladder of development.

The modernization school, a product of neoliberalism, shares a similar view with the liberal with the belief that the position of African countries in the foreign exchange and foreign trade relations is where they need to be as it confers a competitive advantage within the global system. Neoliberals argued that countries such as the United States and the rest of the West are developed in terms of technology, so they should focus on industrialization while third world countries should focus on what they are best at, agriculture and production of raw materials. They believe that the exchange relations between these industrialized countries and agricultural-based economies would essentially be the path out of poverty for the third world countries (Goorha, 2017).

Writers like Sowell (2009) have also argued that undue government intervention continues to be one of the significant problems of capitalism in any country. He argued that the government policies that interfere with the natural functioning of the market forces in the economy, especially with the use of price control, minimum wage laws, and anti-discrimination laws that hand one group some sort of economic advantage over another instead of based on merit, essentially cripple the capitalist system in societies.

Similarly, Gwartney et al. (2016) established a link between economic crises and policy failure vis-a-vis government intervention in the economy. The writers identified pre-conditions for capitalism's success, such as a functional legal system protecting private property and enforces contractual agreement between parties in an equitable manner and the existence of competitive markets, which will ensure the efficient utilization of otherwise limited resources and stimulate innovations and technological development, both of which are rare in third world countries.

Gwartney et al. and Thomas Sowell's views become relevant since the governments in third-world countries essentially control their economies in ways repugnant to economic prosperity and development. Consequently, one can argue that from the perspective of these writers, the existence of economic pre-conditions and the method of application and implementation, as opposed to the contradictions of capitalism as an economic system, are the root cause of underdevelopment in third world countries.

Corruption and Underdevelopment

While some scholars continue to point out external factors as the source of developmental problems in Nigeria, others have introspected in tracing the problems that Nigeria and the third world experience today to issues such as corruption in government and military intervention in politics. As much as is being said about global capitalism and the foreign trade system, writers such as Daniel Agbiboa traced Nigeria's socio-economic crisis to the post-independent era. As opposed to tracing the root of Africa's problem to things such as foreign and tied aid, global capitalism, slavery, and or colonialism, he blames corruption and bad governance as the bane of development in Africa. According to him, this pervasive corruption and a deepening socio-economic crisis were some of the things that ensured that the military would depose Nigeria's government. This experience was welcomed with much hope and eventually made the country worse (Agbiboa, 2010).

The writer argued that military leaders lack the required character or even knowledge and legitimacy to stem the tide of corruption or even initiate good governance; instead, they end up participating in what he called "unbridled self-aggrandizement and frenetic looting" (Agbiboa, 2010), adding that the corruption amongst politicians invited the military, which also led to even more corruption and created a predatory and self-interested ruling class with intention of developing the country but benefitting their pocket (Agbiboa, 2010)

According to the Commission for Africa (2005), Africa has suffered from governments that have looted its natural resources and lack the will or desire to deliver the services its people need; these governments have become predatory and corruptly extract their country's resources, maintaining control through violence, bribery, and the squandering of stolen aid (Agbiboa, 2010).

According to him, political economists and policymakers, and the International Monetary Fund generally agree that corruption belies political development and economic growth anywhere in the world. However, while Africa does not have a monopoly on corruption, the level of institutionalized corruption in Africa and its leaders ranks as some of the world's highest. According to the writer, Nigeria's story is one of the missed opportunities and misspent natural resources. Corruption has penetrated deep into the marrow of the African existence such that looters and fraudsters have become heroes, and it seems as if there is no longer place for honesty, decency, or hard work. Corruption and dishonesty have become an integral part of Nigeria's identity (Agbiboa, 2010).

While a multitude of factors impedes development in Nigeria, mismanagement of resources, embezzlement of public funds, corruption within the public and private sector, impunity, and blatant dishonesty amongst the leaders have been some of the most damning factors affecting any possible level of development that Africa was supposed to experience.

Writing on the impact of corruption on development in Africa from a different perspective, Mauris Szeftel argued that corruption in Africa has deep roots in how the petty bourgeoisie within Africa's countries have attached themselves to the political class (Szeftel, 2007). The African petty bourgeoisie class perpetually depends on the state and its resources to make a profit, and it tends to reject any ideas that can block this path or its profitability; this practically ensures that even the best intentions of global capitalism, foreign direct investment, and even foreign aid eventually become futile.

The writer observes that local accumulation rests heavily on the political class and provides appropriate public resources to a specific group of people rather than expanding industrialization or technology in private hands to explore resources. Therefore, most successful African people in business and petty bourgeoisie do not invest in science and technology or research and development but rely on the political class to give them the edge to exploit resources without benefiting society in general.

Conflict and Underdevelopment

Munyaradi Mawere argued that under-development in Nigeria could be traced to the nexus between conflict and poverty in Africa. According to the writer, the links between poverty and conflict are somewhat complicated and may also be challenging to pin down. Poverty is as much the cause of conflict as it is a consequence of conflict (Mawere, 2018). This writer viewed poverty from a multi-dimensional manner which transcends economic to social, political, and cultural issues; according to her, poverty causes conflict when grievances are not appropriately handled by the government or the ruling class, which makes the people restive, question the government, join rebel groups, and even stage uprisings. On the other hand, it also leads to poverty as it wreaks destruction, violence, and hatred. Consequently, poor societies fall at the risk of going into continuous cycles of conflict, in which ineffective governance, lack of social welfare, and the resulting lack of development perpetually face one another.

In justifying her position, the writer conducted a cross-sectional review of countries such as Angola, Somalia, Libya, and Sierra Leone that have experienced or continued to experience a situation where poverty and crisis or conflict continue to intermingle and create each other. According to the writer, other ways in which poverty or underdevelopment manifest in Africa include high infant mortality and maternity rates, geographical disaster, and the emergence of the cycles of poverty and traditional systems for poverty eradication. Mawere also pointed to the contradictions of imported solutions to African underdevelopment, noting that Africa needs to disconnect itself from superimposed ideas or foreign inventions assumed to ameliorate African problems.

Critique of Previous Research

Based on the literature reviewed in this research, it is evident that many factors affect development and underdevelopment in Nigeria. While most of the writers' thinking has been correct to a large extent, it is essential to highlight the shortcomings of some of the literature used in this research.

Nevertheless, even though the arguments of Parry (2020) pointed to the loss of human capital, it is essential to point out that the loss of human capital to slavery over four hundred years ago should not be a significant factor for the lack of development in Africa and Nigeria today. Four hundred years of knowledge and development would indeed have done Africa much good. However, it is also essential to point out that Nigeria had more than enough time to recover from this loss and forge its path for development, especially when some other African nations who also suffered the same fate have recovered.

On the other hand, within the arguments against neo-colonialism and global capitalism, Ali (2016) stresses that capitalism, even in its best form, does not necessarily bring about development, so African countries should focus on developmental models that suit the continent.

However, the reality is that before one can determine or conclude that capitalism as far as Africa is concerned should be buried, it is essential to note that capitalism has not been adopted in the right way (Gwartney, Stroup, Lee, Ferrarini, & Calhoun, 2016).

The neoliberal perspective, which has served as a practical approach against the idea that capitalism does not work for Africa or that slavery, colonialism, and imperialism have determined African countries' fate for a long time before now, also has its shortcomings. For instance, the modernization school generally believes that every country should hope to replicate what developed countries have done to be able to achieve the western world's level of development (Goorha, 2017). However, this argument has its limitations; when one identifies the essential elements that laid the foundation for development in the Western world, it is almost impossible to replicate such development (Ake, 1981).

Some writers have also argued that government intervention is a significant impediment to capitalism and, by extension, development (Sowell, 2009; Gwartney, Stroup, Lee, Ferrarini, & Calhoun, 2016). While true, it is also essential to note that no country exists with no form of government intrusion in the economy. Even America, capitalism's leading cheerleader, still has some government interventionism levels such as minimum wage. It is, therefore, insufficient to conclude that some government intervention accounts for underdevelopment in Nigeria. Additionally, in countries in the West, such as Germany, the government is highly involved in the economy, even though they are somewhat capitalist and developed.

Agbiboa (2010) blamed corruption and bad governance as the problem for development in Nigeria, but while logical, the shortcoming of this approach is that corruption does not also tell the whole story. While there are corrupt politicians, external players such as multinational corporations and international financial organizations have made stooges out of the leaders of countries such as Nigeria, making it easy for them to be corrupt and get away with it (Kimemia, 2018).

Summary

Based on the approach used in this literature review, the different views of different scholars and literature were synthesized, concluding that many factors contribute to Nigeria's underdevelopment. However, one looks at the problem, whether through the spectrum of corruption, conflicts, government interventionism, and economic policy failure or in terms of external factors such as imperialism and global capitalism or the exploitative nature of foreign trade, colonialism, and slavery, the one surety is that African countries such as Nigeria face an uphill battle in their attempt to escape underdevelopment. Therefore, understanding all these factors is essential before researching to what extent global capitalism particularly hinders development in Nigeria.

Chapter Three: Methodology

Methodology refers to methods and processes by which research is conducted and how the data is gathered, analyzed, and interpreted. In this research, the methodology is quantitative. Quantitative research refers to applying numerical and statistical information for analysis. It focuses on data reports adequately expressed numerically (Hancock, Ockleford, & Windridge, 2009).

The primary source of reliable data in this research is the World Bank database because the World Bank continues to be one of the few international financial organizations that collect the kind of reliable data relevant to this research. The data collected from the database include relevant population demographics and figures in terms of sampling size used, Nigeria's GDP, and information about the sampling procedures and instruments used by the World Bank in data gathering and analysis.

According to the database, the units of analysis are households, individuals, and communities within the local area where the research was conducted in Nigeria. Computer-assisted personal interviews, questionnaires, and surveys were the instruments of the World Bank in data gathering and analysis.

The use of quantitative research methods was deemed more amenable for this research because, in the analysis of variables such as national development, where data on the GDP and living standard indices that are numerical will be evaluated and considered, it is best to approach such research with statistical analysis methods to determine the causal relationship between the variables.

Purpose of the Study

As a result of the problems of underdevelopment in third world countries, several scholars and writers in Africa have lent their opinions and voices in explaining the reason for this economic state, creating an intellectual and ideological divide within academia concerning the significant causes of African countries' economic problems (Kutor, 2014).

Some writers believe that the problems created by Africa's colonial history, the foundation of nation-building, and the constant participation in an exploitative global capitalism system continue to be the cause of underdevelopment in Africa (Edozie, 2017). Others believe that African countries should scrutinize their governments and economic policies to understand the causes of their problems (Agbiboa, 2010). However, one thing that continues to be true is that it is always essential to understand the very nature of a problem and its origin if one hopes to find a working solution for it.

Therefore, the purpose of this research is to critically appreciate the role and impact global capitalism has had on development in Africa, using Nigeria as a point of departure. The research will achieve this by considering the effects of the increased crude oil exportation, increased importation, and reduced government expenditure from 1986 when capitalism was introduced to Nigeria through the World Bank to date on economic development, which is represented by standards of living and GDP per capita. Therefore, it is essential to analyze global capitalism with these three variables as they are measurable variables for quantitative analysis, representing capitalism.

Research Design

Causal research, also known as explanatory research, is conducted to understand the nature of the cause-and-effect relationships. It can also be conducted to conclude the cause-effect equation between two or more variables, where one variable depends on another independent variable (Salkind, 2010). Based on the preceding, this research approach is more amenable in a study such as this, where the relationship between two variables, global capitalism, and economic development, is to be measured using secondary data.

Assumptions of Using a Causal Approach

Methodological assumptions are the researcher’s assumptions regarding the methods used in quantitative research (Priyanka, 2013). For example, the following are the assumptions of the causal approach.

Methodological assumptions are the researcher’s assumptions regarding the quantitative research methods (Priyanka, 2013). For example, the methodological assumptions that presuppose that in a causal approach, the researcher does not entirely control the independent variable (Salkind, 2010) but scrutinizes the relationship among variables in studies in which the independent variable has already occurred, thus making the study descriptive rather than experimental (Maheshwari, 2018). Additionally, in this quantitative research approach, the independent variable is often referred to as the grouping variable (Maheshwari, 2018), and it explores effects, causes, and consequences.

Topical assumptions to the causal approach presuppose that it is most suitable to topics or issues trying to establish a cause-effect relationship such as this research topic. Since the topic clearly expresses the independent and dependent variables, the causal approach fits the research.

Theoretical assumptions in causal research presuppose that it is sometimes treated as a form of descriptive research since it describes existing conditions (Salkind, 2010), and its direct approach involves starting with an effect and seeking possible causes (Maheshwari, 2018). Additionally, hypotheses are generally used to test the theory in causal research (Maheshwari, 2018).

Limitations of Causal Research

There will be limitations of this study and the use of a causal research design. Unlike experimental research methods, the causal approach does not always provide the most robust evidence of cause-effect relationships between two variables (Salkind, 2010); however, it is more amenable to research where the independent variable cannot be manipulated to fit into an experimental approach.

The causal approach does not always consider the intervening variables that can affect or influence the dependent variable (Salkind, 2010); in this research, such intervening variables such as gross domestic product and poverty levels of people would be considered by establishing how they may or may not affect the development in Nigeria. Another limitation of this research approach is that it restricts the researcher’s ability to construct random samples, making the research complex to generalize to the public (Salkind, 2010). While the causal approach has its limitations, its merits outweigh them as in every other research approach. This research allows the researcher to analyze a causal relationship between the variables.

Target Population, Participants Selection, and Sampling Procedures

The 2018/19 Nigerian living standards survey sample is designed to provide representative estimates for the 36 states and the Federal Capital Territory (FCT), Abuja. The sample is also represented at the national and zonal levels. Although urban and rural areas do not explicitly stratify the sample, obtaining urban and rural estimates is possible from the national level Nigerian Living Standards Survey data. The relative proportion of urban and rural enumerated areas has been maintained at all stages (The World Bank, 2021).

The sampling frame for the 2018/19 Nigerian Living Standards Survey (NLSS) data was based on the national master sample developed by the National Bureau of Statistics, referred to as the Nigeria Integrated Survey of Households. This master sample was based on the enumeration areas (EA) defined for the 2006 Nigeria Census Housing and Population conducted by National Population Commission (NPC; The World Bank, 2021).

Instruments

This research relies primarily on secondary data from the World Bank database. According to the database, the primary instrument of gathering the data was the computer-assisted personal interview, which was supervised by in-person monitoring of fieldwork to ensure good quality data collection through an extensive field monitoring exercise mounted during 12 months of data collection (The World Bank, 2021). Questionnaires, surveys, and sampling methods were used during this process (The World Bank, 2021). Two sets of questionnaires – household and community – were used to collect information. The household questionnaire was administered to all households in the sample. The community questionnaire was administered to collect information on the socio-economic indicators of the enumeration areas' where the sample households reside (The World Bank, 2021).

Data Collection Procedures

As stated earlier, secondary data is readily available on the World Bank database, which was collected through surveys, questionnaires, and sampling methods, on variables such as demographics, education, health, labor, and food and non-food expenditure.

Proposed Data Analysis

The data cleaning process was done in three main stages. The first stage ensured proper quality control during the fieldwork. This was partially achieved by incorporating validation and consistency checks into the survey solutions application used for the data collection, designed to highlight many of the errors during the fieldwork. The second stage of cleaning involved data editors and data assistants, while the third stage involved a comprehensive review of the final raw data following the first and second stage cleaning (The World Bank, 2021). Every variable was examined individually for consistency with other sections and variables, out-of-range responses, and outliers (The World Bank, 2021).

While the raw secondary data was pulled from the World Bank database, the causal research design, as earlier described, will be used to determine the causal relationship between reduced government spending, increased importation, and increased crude oil exportation, and economic development measured by GDP per capita with the use of linear regression.

Ethical Considerations

According to the World Bank database, a compromise was necessary to ensure the safety of interviewers by excluding conflict-affected areas, which implies that the sample represents areas of Nigeria accessible during the 2018/19 NLSS fieldwork period; the sample will not reflect conditions in areas undergoing conflict at that time (The World Bank, 2021). There were no other ethical considerations necessary in this research other than academic honesty since the data used are secondary.

Chapter Four: Data Analysis

This chapter will provide insights into the research questions highlighted previously, starting with preliminary analyses. This section is further divided into four sections unveiling the descriptive statistics analysis. The unit root analysis documents the stationarity properties of the series adopted. The second and third objectives of the study are achieved in the last section.

Research Question and Hypothesis

The research question for this study is as follows: Does global capitalism have any impact on economic development in Nigeria?

- Null Hypothesis: Global capitalism negatively impacts economic development in Nigeria.
- Alternative Hypothesis: Global capitalism positively impacts economic development in Nigeria.

The gross domestic product per capita (GDPPC) in this research is the variable used to measure Nigeria's economic output based on its population size or numbers by dividing its gross domestic product (GDP) by its total population. The fact that the GDP per capita divides a country's economic output by its total population makes it a good measurement of a country's standard of living, especially since it reflects how prosperous a country feels to the citizens (Amadeo, 2020).

In this context, imports (IMP) refer to the numerical figures representing the number of goods and services brought into Nigeria by either private individuals or the government, produced or manufactured in another country. Additionally, Crude Oil Exports (EXP_CO) refers to the numerical figures representing the amount of crude oil that the government of Nigeria sold to other countries. Finally, government expenditure (GE), is measured as the Nigerian government's spending on goods and services excluding transfer payments such as consumption and gross fixed capital formation (Loizides & Vamvoukas, 2005).

Preliminary Estimation Results and Descriptive statistics

The descriptive statistics table below presents the preliminary estimation results, representing a necessary analysis preceding any statistical calculation or analysis. It is relevant because it lays the foundation for any accurate statistical analysis as a pre-condition for its correctness.

On the one hand, skewness measures the symmetry of distribution, while kurtosis measures the combined weight of the distribution tails to the center of such distribution. On the other hand, Jarque-Bera Test checks whether a sample data has the required skewness and kurtosis to match a normal distribution. All these are necessary pre-conditions that should be fulfilled before any statistical analysis of this nature. Thus, the skewness, kurtosis, and Jarque-Bera tests are considered preliminary estimations that lay the foundation for any sound statistical analysis, primarily where graphs and tables are used.

Below is a summary of the descriptive statistics:

Table 4.1. Descriptive statistics

	GDPPC	IMP	EXP_CO	GE
Mean	273,301.90	4,340,000,000,000	5,550,000,000,000	2,340,000,000,000
Median	247,190.50	1,750,000,000,000	2,460,000,000,000	1,120,000,000,000
Maximum	385,349.00	20,400,000,000,000	17,300,000,000,000	9,710,000,000,000
Minimum	200,317.90	5,980,000,000	8,370,000,000	16,200,000,000
Std. Dev.	68776.79	5170000000000	5740000000000	2600000000000
Skewness	0.40	1.22	0.63	1.08
Kurtosis	1.49	3.85	1.97	3.31
Jarque-Bera	4.12	9.49**	3.77	6.79**
Probability	0.13	0.01	0.15	0.03

*** represents significance at 5% level of significance. All relevant figures are in the Nigerian currency (Naira).*

The descriptive statistics table above reflects the average values of GDPPC, IMP, EXP_CO, and GE from 1986 to 2019. The table also indicates the maximum and minimum obtainable values of these variables during the same period.

The standard deviation values show the extent of dispersal of the observations around their respective means. The standard deviation to mean ratios of GDPPC, IMP, EXP_CO, and GE, which are more significant than 0.5, suggest a high coefficient of variations during the skewness statistics whose threshold value for symmetry (or normal distribution) is none of the series are precisely zero. On the other hand, the kurtosis value, whose threshold is three, indicates that all other series apart from IMP and GE (leptokurtic) are platykurtic. Neither skewness nor kurtosis can singularly confirm the normality of a series. Hence, since the Jarque-Bera statistics combine skewness and kurtosis properties, they provide more comprehensive information. Following the above highlight on Jarque-Bera, since the probability value for the variables (except IMP and GE) is greater than 5%, it suggests that the hypothesis of a normal distribution is accepted, and the series can be regarded as normally distributed.

However, since the Jarque-Bera probability value of IMP and GE is less than 5%, the normal distribution hypothesis cannot be accepted for IMP and GE Thus, IMP and GE are not normally distributed.

The Trend in Series through Tabulation and Graphical Analysis

A graphical illustration shows the series' movements, trends, fluctuation, structural breaks, and discontinuities. This section provides insight into the first objective of the study.

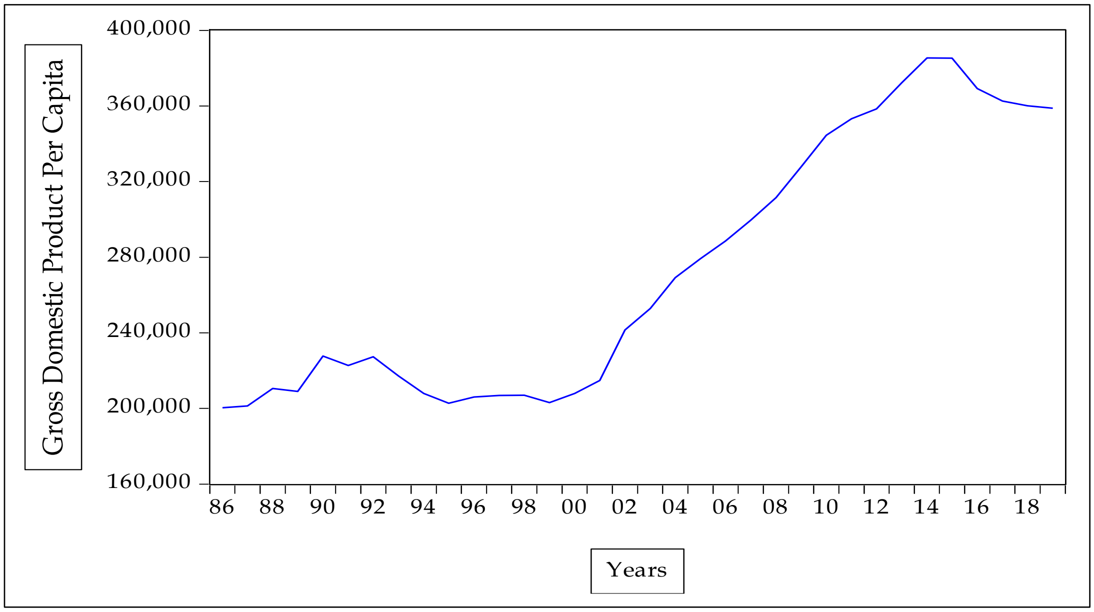
The trend in Gross Domestic Product Per Capita

Table 4.2. Gross Domestic Product Per Capita between 1986 and 2019

Year	Gross Domestic Product Per Capita (₦)		Year	Gross Domestic Product Per Capita (₦)
1986	200,317.91		2003	252,816.26
1987	201,371.27		2004	269,223.03
1988	210,527.52		2005	279,242.50
1989	209,035.20		2006	288,530.71
1990	227,703.46		2007	299,558.55
1991	222,774.89		2008	311,458.56
1992	227,287.92		2009	327,648.05
1993	217,157.52		2010	344,549.92
1994	207,965.64		2011	353,250.92
1995	202,704.00		2012	358,453.84
1996	206,017.37		2013	372,267.69
1997	206,855.51		2014	385,349.04
1998	206,973.83		2015	385,236.15
1999	203,050.17		2016	369,177.91
2000	207,962.24		2017	362,573.95
2001	214,805.38		2018	360,109.47
2002	241,564.70		2019	358,742.05

Note: The gross domestic product per capita is used to represent the standard of living and economic development in Nigeria. The data is sourced from the World Bank's database.

Figure 4.1. Since the beginning of the SAP period (1986), trends in gross domestic product per capita till 2019.



In Figure 4.1 above, gross domestic product per capita, on average, trended upwardly during the considered period. In specific terms, the movement in GDPPC started by relatively stabilizing between 1986 and 2001, after which it sharply rose until it peaked in 2014. After these periods, GDPPC fell till 2019**.**

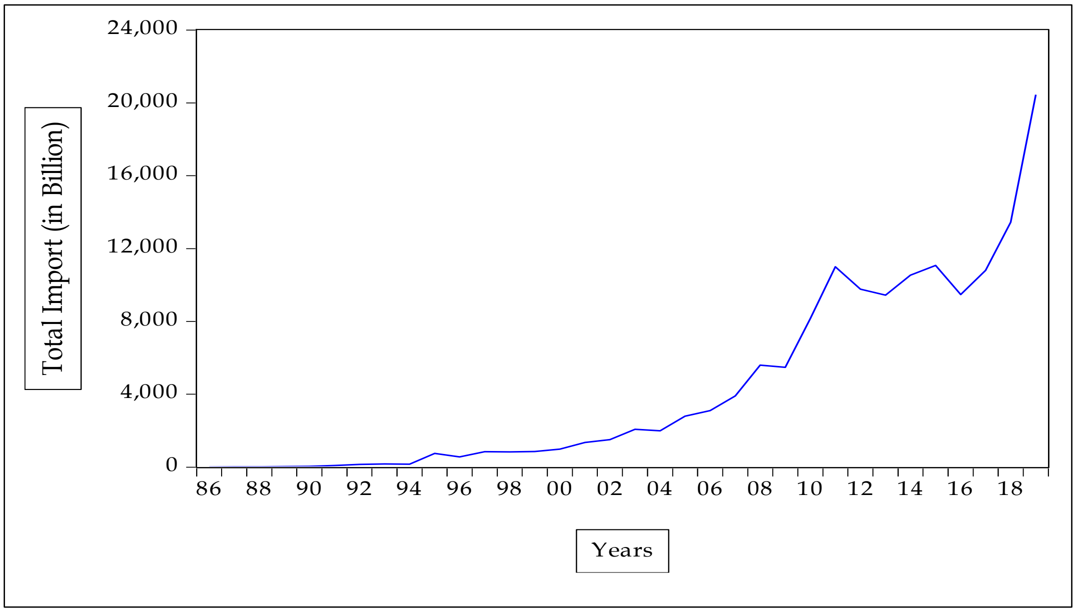
Trends in total import of Nigeria

Table 4.3. Total import of Nigeria from 1986 to 2019

Year	Total Import (₦)		Year	Total Import (₦)
1986	5,983,600,000.00		2003	2,080,235,270,000.00
1987	17,861,700,000.00		2004	1,987,045,270,000.00
1988	21,445,700,000.00		2005	2,800,856,330,000.00
1989	30,860,200,000.00		2006	3,108,519,320,000.00
1990	45,717,900,000.00		2007	3,911,952,630,000.00
1991	89,488,200,000.00		2008	5,593,180,450,153.73
1992	143,151,200,000.00		2009	5,480,656,122,965.34
1993	165,629,400,000.00		2010	8,163,974,570,394.48
1994	162,788,800,000.00		2011	10,995,863,626,063.20
1995	755,127,700,000.00		2012	9,766,556,735,243.81
1996	562,626,600,000.00		2013	9,439,424,707,237.03
1997	845,716,600,000.00		2014	10,538,914,508,771.50
1998	837,418,700,000.00		2015	11,076,068,343,695.60
1999	862,515,700,000.00		2016	9,480,366,865,843.05
2000	985,022,390,000.00		2017	10,804,845,846,543.00
2001	1,358,180,330,000.00		2018	13,445,227,501,157.00
2002	1,512,695,330,000.00		2019	20,448,919,563,245.40

Note: Total import is used as one of the variables representing global capitalism in Nigeria by introducing the SAP of 1986. The data is sourced from the Central Bank of Nigeria Statistical Bulletin (2019).

Figure 4.2. The trend in the import of Nigeria from the beginning of the SAP period (1986) to 2019.



On average, it can be deduced from Figure 4.2 above those total imports in Nigeria maintained an upward trend. However, during the considered timeframe, there are specific periods in which importation was relatively constant or showed a zig-zag movement. For instance, the movement in importation in Nigeria was relatively stable during the early period of the SAP (between 1986 and 1994). However, after this period, importation started peaking until it reached a notable point in 2011. Since then, an unstable movement has marked it since 2017; importation of goods and services has been on the increase in Nigeria as advised by the SAP.

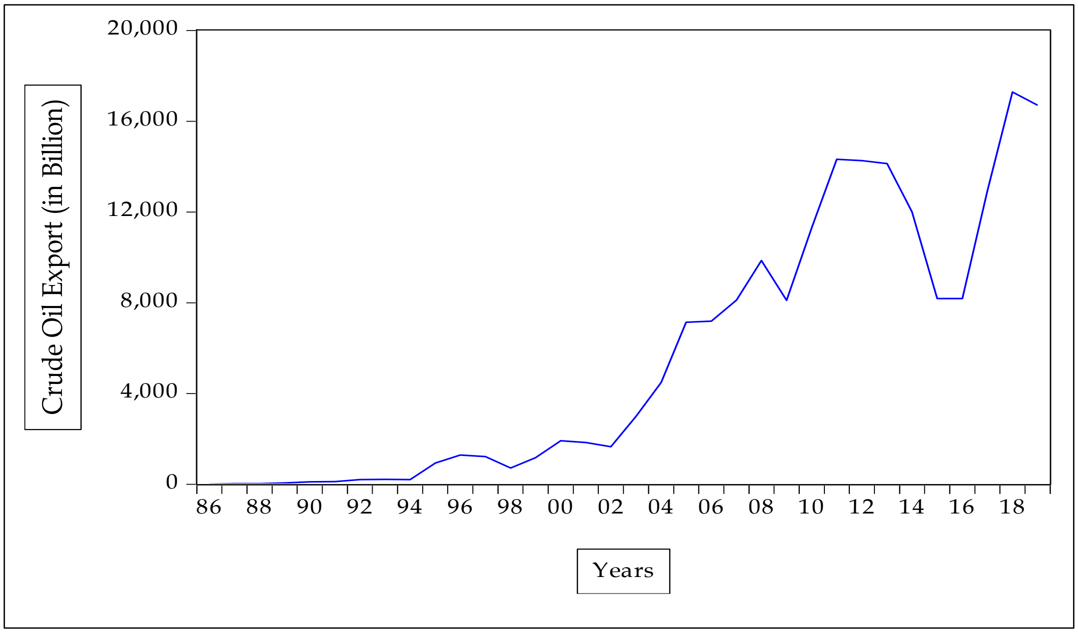
Trend in Crude Oil Export in Nigeria

Table 4.4. Crude oil export in Nigeria from 1986 to 2019

Year	Crude Oil Export (₦)		Year	Crude Oil Export (₦)
1986	8,368,500,000.00		2003	2,993,109,950,000.00
1987	28,208,600,000.00		2004	4,489,472,190,000.00
1988	28,435,400,000.00		2005	7,140,578,920,000.00
1989	55,016,800,000.00		2006	7,191,085,640,000.00
1990	106,626,500,000.00		2007	8,110,500,380,000.00
1991	116,858,100,000.00		2008	9,861,834,434,595.17
1992	201,383,900,000.00		2009	8,105,455,116,025.27
1993	213,778,800,000.00		2010	11,300,522,124,067.80
1994	200,710,200,000.00		2011	14,323,154,652,370.10
1995	927,565,300,000.00		2012	14,259,990,903,753.60
1996	1,286,215,900,000.00		2013	14,131,843,084,962.40
1997	1,212,499,400,000.00		2014	12,006,965,051,577.80
1998	717,786,500,000.00		2015	8,184,480,520,606.71
1999	1,169,476,900,000.00		2016	8,178,817,955,352.58
2000	1,920,900,400,000.00		2017	12,913,241,319,941.70
2001	1,839,945,250,000.00		2018	17,282,251,660,069.00
2002	1,649,445,828,000.00		2019	16,702,733,885,083.60

Note: Export of crude oil is the second variable used to represent SAP and global capitalism Nigeria. The data is sourced from the Central Bank of Nigeria Statistical Bulletin (2019)

Figure 4.3. The trend in crude oil export since the beginning of the SAP period (1986) till 2019.



Like GDPPC and total importation, the export of crude oil shown in Figure 4.3 started by staying relatively stable from 1986 to 1994. After this period, the export of oil started peaking till around 2008. Then, the exportation of crude oil fell in 2009. This period falls in the global financial crisis of 2008/2009, which affected most countries of the world. After this period, Nigeria witnessed a sharp rise in crude oil exportation till around 2011.

After the relative stability in crude oil exportation between 2011 and 2013, Nigeria witnessed a notable sharp fall in crude oil export till around 2015 and 2016. Crude oil export collapsed between 2014 and 2016 but later picked up and increased till around 2018.

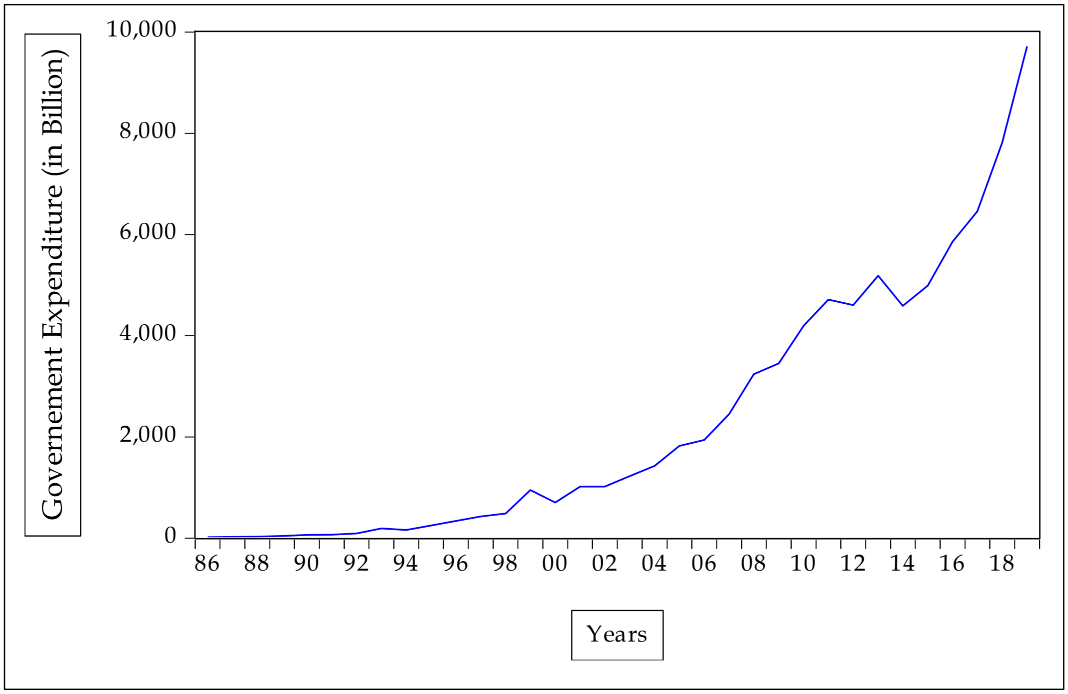
The trend in Government Expenditure in Nigeria

Table 4.5. Government expenditure in Nigeria from 1986 to 2019

Year	Government expenditure		Year	Government expenditure
1986	16,223,700,000.00		2003	1,225,988,300,000.00
1987	22,018,700,000.00		2004	1,426,200,000,000.00
1988	27,749,500,000.00		2005	1,822,100,000,000.00
1989	41,028,300,000.00		2006	1,938,002,500,000.00
1990	60,268,200,000.00		2007	2,450,896,700,000.00
1991	66,584,400,000.00		2008	3,240,819,600,000.00
1992	92,797,400,000.00		2009	3,452,990,800,000.00
1993	191,228,900,000.00		2010	4,194,576,508,000.00
1994	160,893,200,000.00		2011	4,712,061,981,183.34
1995	248,768,100,000.00		2012	4,605,390,500,000.00
1996	337,217,600,000.00		2013	5,185,318,461,980.98
1997	428,215,200,000.00		2014	4,587,385,338,179.51
1998	487,113,400,000.00		2015	4,988,864,407,165.56
1999	947,690,000,000.00		2016	5,858,558,389,438.70
2000	701,050,900,000.00		2017	6,456,697,766,346.33
2001	1,017,996,500,000.00		2018	7,813,741,058,977.81
2002	1,018,178,100,000.00		2019	9,714,842,526,334.64

Note: Government expenditure is the third variable used to represent SAP and global capitalism in Nigeria. The data is sourced from the Central Bank of Nigeria Statistical Bulletin (2019)

Figure 4.4. The trend in government expenditure since the beginning of the SAP period (1986) till 2019.



In a pattern like other series, government expenditure also started by being relatively stable between 1986 and 1993 after which it started trending upwardly till it reached the highest point in 2019.

Unit Root Test

Unit root test shows the test of stationarity of the series to be used for model estimation. The ordinary least square (OLS) technique requires that a series must exhibit a constant mean, variance, and covariance over time, i.e., whether the series is time-invariant in its unconditional moments. In other words, when series are not stationary, it is said to exhibit a unit root process. If non-stationary series is adopted in a regression analysis, the resulting model is labeled spurious, unstable, and misleading and cannot be used for the forecast as the non-stationary variables feature changes as time progresses. Thus, such variables are said to exhibit unit roots and cannot be used for conventional modeling.

This test is primarily important as the use of non-stationary series results in spurious regression-stationary series results. All the results are stationary at level, that is, they are integrated of order zero.

Table 4.6. Augmented Dickey-Fuller (ADF) SB unit root test

Variables	Level		I(d)
	Intercept	Trend and intercept	
LGDPPC	-4.709** (0.024)	-5.180** (0.019)	I(0)
LIMP	-3.495 (0.390)	-7.342*** (0.001)	I(0)
LEXP_CO	-6.843*** (0.001)	-4.242 (0.235)	I(0)
LGE	-4.219* (0.093)	-2.500 (0.984)	I(0)

, ** and* represent stationary at 10%, 5% and 1%, respectively.*

Model Estimation

In this section, we have two sub-sections. In sub-section 4.2.1, the study utilizes the linear causality test of Granger (1969) to achieve the second objective. Simultaneously, the ordinary least square method of linear regression is used to achieve the third objective of the study.

Causality Test

Table 4.7. Linear causality test result

Null Hypothesis:	F-Statistic	Prob.
LIMP does not Granger Cause LGDPPC	1.76653	0.1938
LGDPPC does not Granger Cause LIMP	1.20233	0.2816
LEXP_CO does not Granger Cause LGDPPC	3.29907*	0.0793
LGDPPC does not Granger Cause LEXP_CO	0.27860	0.6015
LEXP_CO does not Granger Cause LIMP	0.47995	0.4938
LIMP does not Granger Cause LEXP_CO	1.52622	0.2263

* *Represents significance at 10%.*

From the result presented in Table 4.7, the null hypothesis of no causality is rejected only for the causal flow from crude oil export to GDPPC at a 10% level of significance. For other instances, the null hypothesis is not rejected. Intuitively, the result documents that crude oil export significantly influences GDPPC in Nigeria.

Linear Regression Analysis

Since the causality test does not lead us to the direction of the effect of one variable on the other thus, we proceed further by utilizing a linear regression to unmask the effect of global capitalism on the standard of living in Nigeria. It is essential to document that the study employs the heteroskedasticity and autocorrelation consistent (HAC)-based least squares estimator, which can account for possible autocorrelation and heteroskedasticity problems in the estimation process.

Effect of Import on Gross Domestic Product Per Capita

Table 4.8. Linear regression result for the effect of import on gross domestic product per capita

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LIMP	0.091***	0.017	5.320	0.000
C	9.944***	0.484	20.541	0.000
Adj R-squared=0.678 F-stat (Prob)= 70.615(0.000)				

**** denotes significance at 1% level.*

This study shows that importation in Nigeria positively and significantly affects GDPPC in Nigeria. The relationship between import and GDPPC is inelastic (that is, the coefficient is less than 1). All other things being equal, a percent increase in importation leads to a cumulative effect of approximately 0.091% increase in GDPPC in Nigeria.

The adjusted R-squared value of 0.678 indicates that 67.8% of the total variation in GDPPC is explained by the imports. The probability of the F-Statistic, which is less than 0.05 (or 5%), confirms that the estimated model is significant and valid.

Effect of Crude Oil Export on Gross Domestic Product Per Capita

Table 4.9. Linear regression result for the effect of crude oil export on gross domestic product per capita

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LEXP_CO	0.092	0.018	5.237	0.000
C	9.905	0.494	20.042	0.000
R-squared=0.650 F-stat (prob)=62.312 (0.000)				

**** denotes significance at 1% level.*

As shown in table 4.9, crude oil export positively affects GDPPC in Nigeria. Also, this effect is a significant 1% level. Therefore, intuitively, a percent increase in crude oil export leads to a 0.092% increase in GDPPC, ceteris paribus. In other words, the relationship between crude oil export and GDPPC is inelastic.

The adjusted R-squared value of 0.650 indicates that 65.0% of the total variation in GDPPC is explained by crude oil export. The probability of the F-Statistic, which is less than 0.05, confirms that the estimated model is significant and valid.

Effect of Government Expenditure on Gross Domestic Product Per Capita

Table 4.10. Linear regression result for the effect of government expenditure on gross domestic product per capita

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGE	0.110	0.019	5.823	0.000
C	9.477	0.523	18.130	0.000
R-squared =0.717 F-stat (prob)= 81.150 (0.000)				

**** denotes significance at 1% level.*

As shown in table 4.10, the effect of government expenditure on GDPPC is positive and significant. A percent increase in government expenditure leads to a 0.110% increase in GDPPC, ceteris paribus. The relationship between government expenditure and GDPPC is inelastic.

The adjusted R-squared value of 0.717 indicates that 71.7% of the total variation in GDPPC is explained by government expenditure. The probability of the F-statistic, which is less than 0.05, confirms that the estimated model is significant and valid.

Chapter Five: Summary of Findings

In this research, the aim was to answer whether global capitalism affected economic development in Nigeria. In doing this, a research question was developed, which asked what impact global capitalism has on economic development in Nigeria. To this end, other literature was reviewed to understand diverse scholars' views on the subject matter. The literature review was essential to establish the relationship between economic development in Nigeria and global capitalism.

Additionally, it was also essential to identify the fact that other intervening variables have influenced economic development in Nigeria and continue to do so. To establish this, the impact of historical factors such as slavery and colonialism was examined along with internal and external factors. In examining the impact of slavery, colonialism, and imperialism, research showed that the loss of human capital through slavery, the exploitation of raw materials from Nigeria by colonial masters, and the subjection or hegemony of the political system in Nigeria by the colonial masters, contributed in no small measure to the underdevelopment that exists in Nigeria today. Scholars also argued that post-colonial imperialism continues to play a role in ensuring under-development in Nigeria even after colonialism.

Internal factors were also examined to know their role in the development, or otherwise in Nigeria today. Using the neo-liberal perspective, research showed that before any blame can be laid at the feet of global capitalism, it is essential to ascertain whether capitalism is being practiced in Nigeria in its proper form. According to the tenets of capitalism, as prescribed by writers such as Gwartney et al., it was discovered that capitalism is not even practiced in its best or original form.

While scholars have argued that capitalism is not practiced anywhere in its perfect form, the problem with Nigeria is that the government's economic policies interfere with market forces for controlling the economy. These often manifest through government interventionism in the form of fuel subsidization, price control, minimum wage policy, and rent control, to say just a few. Hence, if capitalism is not practiced the right way, how can we blame capitalism for the economic ills occurring in countries such as Nigeria.

Other internal factors such as corruption in governance and mismanagement of public funds were also considered because embezzlement and misappropriation of funds in the Nigerian government diverts the resources used to develop the country into private hands, stifling development. The impact of the conflict was also examined because due to the rise of insurgent groups such as Boko Haram, Niger Delta militants, and the Fulani herdsmen, a lot of resources are being diverted from economic and infrastructural development to defense and security and the fight against terrorism.

After considering the intervening variables, it was necessary to shift focus to evaluating the impact of global capitalism on economic development in Nigeria. For this purpose, numerical data were collected and analyzed through statistical and quantitative analysis methods. Through this scientific method, a conclusion was derived that global capitalism, which was introduced through the SAP, has positively impacted economic development in Nigeria.

Data Analysis

Data analyzed were on crude oil exports, importation, and government expenditure from 1986 to represent the introduction of global capitalism in Nigeria. On the other hand, as far as development is concerned, to evaluate the relationship between those variables and development, GDPPC, which the World Bank uses to calculate the standard of living in a particular country, was used as a numerical representation of development in Nigeria. In the analysis, each of the variables, imports, crude oil exports, and government expenditure, were examined against the GDPPC to understand whether there was a positive or negative relationship between them. As a result, increased imports, government expenditure, and the increase in crude-oil exportation revealed a positive and significant effect on gross domestic product per capita.

Conclusion

Based on the causal analysis, the conclusions derived were as follows: the GDPPC trended upward between 1986 and 2019, which implies that since the introduction of the SAP in 1986, an upward rise in Nigeria’s GDP has implied an increase in the level of standard of living of its people. Additionally, other variables such as total import figures and crude-oil exportation have also witnessed a steady rise since 1986. The level of government spending has also increased, which is somewhat contrary to the classic ideas of capitalism, or at least to the Keynesian macro-economic theory.

Though global capitalism has its drawbacks, statistical data analysis using scientific processes reveals that since 1986, when the SAP vis-à-vis global capitalism was introduced in Nigeria, there has been a steady rise in the GDPPC vis-à-vis the standard of living in the country. Therefore, it is possible to conclude that the alternative hypothesis that global capitalism has positively impacted economic development in Nigeria can be accepted. Although when one notes other indices such as levels of poverty in Nigeria, lack of social and economic amenities, the gap between the upper and the lower class, the level of unemployment, and other economic variables, it is possible to argue that the level of development in Nigeria is very dismal; however, the conclusion of this research does not suggest that Nigeria is a developed country. Instead, this research suggests that based on scientific research, the introduction of global capitalism in Nigeria has not been a variable that has underdeveloped the country; instead, it has contributed to helping the country develop to the level or extent to which it is today.

While it is possible to argue that more can be done in developing the country, this responsibility does not fall at the feet of global capitalism; instead, it lies in the hands of the government and its policies. Moreover, as earlier pointed out, the other intervening variables, such as the level of corruption, embezzlement in government, and conflict situation, have contributed in different ways in rendering the country underdeveloped.

Finally, historical factors have played a role in the country's level of development, so if Nigeria as a country hopes to achieve better levels of development, global capitalism should not be perceived as the problem but rather a part of the solution.

Recommendations for Further Research

Following the previous argument that other variables exist, as intervening variables that can explain under-development in Nigeria, it is essential to point future researchers in that direction as recommendations for further research. Additionally, in understanding the role of global capitalism in development, it is possible to argue that using these GDPPC metrics may not present the complete picture of development or the standard of living in Nigeria. However, this research cannot possibly exhaust all variables; therefore, as part of recommendations for further study, other researchers can consider variables that represent the quality of life of a people.

Conclusively, to understand whether global capitalism has been sufficient in ensuring development, further research is possible to examine whether capitalism is being practiced in its purest form in Nigeria as proposed by classical and neoclassical writers.

References

Abgebi, M., & Virtanen, P. (2017). Dependency Theory – A Conceptual Lens to Understand China's Presence in Africa? *Forum For Development Studies*.

Adebisi, M. A. (2016). The Political Economy of Underdevelopment; Theories, History of the United Nations Efforts on Sustainable Development and Implication for Trade Unionism. *Journal of Sustainable Development in Africa*, 179.

Agbiboa, D. E. (2010). The Corruption-Underdevelopment Nexus in Africa: Which Way Nigeria?! *The Journal of Social, Political, and Economic Studies; Washington Vol. 35, Iss. 4*, 474-509.

Ake, C. (1981). *Political Economy of Africa.* Essex: Longman.

Ali, A. J. (2016). Global capitalism and Developing Countries. *Journal of Competitiveness Studies; Indiana Vol. 24, Iss. 3*, 102-106.

Amadeo, K. (2020, August 30). *Standard of Living*. Retrieved from The Balance: https://www.thebalance.com/standard-of-living-3305758#citation-14

Banton, C., & Westfall, P. (2020, October 26). *Third World*. Retrieved December 15, 2020, from https://www.investopedia.com/terms/t/third-world.asp

Barbier, E. B. (2003). *The Role of Natural Resources in Economic Development*. Retrieved 1 27, 2021, from http://homepage.univie.ac.at/adusei.jumah/natural_resources.pdf

Commission for Africa. (2005). *Our Common Interest: Report of the Commission for Africa.* London: HMG.

Edozie, R. K. (2017). *The Cultural Political Economy of Nigeria's Afri-Capitalism and South Africa's Ubuntu Business.* New York: Palgrave Mcmillan.

Feldman, M. P., Hadjimichael, T., Kemeny, T., & Lanahan, L. (2014). The logic of economic development: A definition and model for investment. *Environment and Planning C Government and Policy*, 34.

Goorha, P. (2017). *Modernization Theory.* Oxford: Blackwell Publishing.

Granger, C. (1969). Investigating Causal Relations by Econometric Models and Cross-spectral Methods. Econometrica, 37(3), 424-438. doi:10.2307/1912791.

Gwartney, D. J., Stroup, R. L., Lee, D. R., Ferrarini, T. H., & Calhoun, J. H. (2016). *Common Sense Economics.* New York: St. Martin's Press.

Hancock, B., Ockleford, E., & Windridge, K. (2009). An Introduction to Qualitative Research. *National Institute for Health research*.

Hayes, A. (2021, February 23). *Austerity*. Retrieved from https://www.investopedia.com/terms/a/austerity.asp

Isreal, S. (2018, March 11). *What is Development?* Retrieved December 15, 2020, from https://www.sid-israel.org/en/Development-Issues/What-is-Development

Jahan, S., & Mahmud, A. S. (2015). What Is Capitalism? *Finance and Development*.

Kay, C. (2019). Theotonio Dos Santos (1936–2018): The Revolutionary Intellectual Who Pioneered Dependency Theory. *International Institute of social science*.

Kimemia, D. (2018). Multinational corporations as a supplier of corruption in Africa. *Sabinet African Journals*.

Kutor, S. K. (2014). Development and Underdevelopment of African Continent: The Blame Game and the Way Forward. *Research on Humanities and Social Sciences*.

Lake, D. A. (2001). *Imperialism: Political Aspects*. Retrieved December 15, 2020, from https://www.sciencedirect.com/referencework/9780080430768/international-encyclopedia-of-the-social-and-behavioral-sciences

Leedy, P. D., & Ormrod, J. E. (2010). *Practical Research: Planning and Design.* Boston: Pearson.

Loizides, J., & Vamvoukas, G. (2005). Government Expenditure and Economic Growth: Evidence from Trivariate Causality Testing. *Journal of Applied Economics*, 125-152.

Maheshwari, V. K. (2018, January 23). *Causal-comparative Research*. Retrieved from Philosophical Commentary: http://www.vkmaheshwari.com/WP/?p=2491

Marx, K. (1848). *Manifesto of the Communist Party.* Moscow: Progress Publishers.

Mawere, M. (2018). *Jostling Between "Mere Talk" & Blame Game?: Beyond Africa's Poverty and Underdevelopment Game Talk.* Oxford: African Books Collective.

McLeod, S. (2019). *Case Study Method*. Retrieved from Simply Psychology: https://www.simplypsychology.org/case-study.html#:~:text=Case%20studies%20are%20often%20used,are%20related%20to%20each%20other.

Nwakwo, R. N. (2018). Globalization and Nigeria's Development: A New Order of Marginalization and Domination. *International Journal of Global Business*, 21-38.

Olutayo, A. O., Olutayo, M. O., & Omobowale, A. O. (2008). TINA', Aids, and the underdevelopment problem in Africa. *Brazillian Journal of Political Economy Vol. 28, no. 2*, 239-248.

OPEC. (2021). *Nigeria facts and figures*. Retrieved from Organization of Petroleum Exporting Countries: https://www.opec.org/opec_web/en/about_us/167.htm#:~:

text=Apart%20from%20petroleum%2C%20Nigeria’s%20other,cent%20of%20total%20exports%20revenue.

Ouma, S. (2017). The difference that ‘capitalism’ makes: on the merits and limits of critical political economy in African Studies. *Review of African Politica; Economy. Vol. 44, No. 153*, 499-509.

Panitch, L., & Gindin, S. (2004). *Global Capitalism and American Empire*. Retrieved 1 20, 2021, from https://nodo50.org/cubasigloxxi/congreso04/panitch_060404.pdf

Parry, T. D. (2020). A Review of Cavaliers and Economists: Global Capitalism and the Development of Southern. *The Journal of Southern History, Volume LXXXVI, No. 2*.

Poyi, B. B. (2006). The Effect of Recent Changes in the Financial Sector Development in Nigeria. *Paper presented at 15th AFRICA General Assembly*.

Priyanka, D. (2013, July 9). *Qualitative Research in Corporate Communication*. Retrieved from Theories, Frameworks and Research Design: https://blogs.baruch.cuny.edu/com9640epstein/?p=482

Ranis, G. (2004). *Human Development and Economic Growth*. Retrieved 1 20, 2021, from http://econ.yale.edu/growth_pdf/cdp887.pdf

Reyes, G. E. (2001). Four Main Theories of Development: Modernizatio, Dependency, World System and Globalization. *Nómadas. Revista Crítica de Ciencias Sociales y Jurídicas*.

Ridder, H. G. (2016). Case study research. Approaches, methods, contribution to theory. *Sozialwissenschaftliche Forschungsmethoden*.

Rodney, W. (1972). *How Europe underdeveloped Africa.* London: Bogle-L'Ouverture Publications.

Romaniuk, S. N. (2017). *Dependency Theory.* Thousand Oaks: Sage Publication.

Salkind, N. J. (2010). *Encyclopedia of Research Design.* Thousand Oaks: Sage Publications.

Sen, A. (2000). *Development As Freedom.* New York: Anchor Books.

Sowell, T. (2009). *Applied Economics.* New York: Basic.

Sulaiman, L. A., Migiro, S. O., & Aliko, O. A. (2014). The structural adjustment program in developing economies: pain or gain? *Public and Municipal Finance,* 41.

Szeftel, M. (2007). Between governance & under-development: accumulation & Africa’s ‘catastrophic corruption. *Review of African Political Economy, Volume 27, 2000 - Issue 84*.

Tausch, A. (2011). Globalization and development: the relevance of classical “dependency” theory for the world today. *International social science journal*, 467-488.

The World Bank. (2021, January 12). *Living Standards Survey 2018-2019*. Retrieved from The World bank Micro Data Library: https://microdata.worldbank.org/index.php/catalog/3827#metadata-data_collection

The World Bank. (n.d.). *Economy*. Retrieved from The World Bank: https://datatopics.worldbank.org/world-development-indicators/themes/economy.html

Thompson, J. (2018, June 19). *What Is Global Capitalism?* Retrieved December 15, 2020, from https://bizfluent.com/info-10021758-global-capitalism.html

Trading Economics. (2019, December). *GDP Africa*. Retrieved December 17, 2020, from https://tradingeconomics.com/country-list/gdp?continent=africa

Vissak, T. (2010). Recommendations for Using the Case Study Method in International Business Research. *The Qualitative Report*, 370-388.

Vogelsang, T., & Perron, P. (1998). Additional Tests for a Unit Root Allowing for a Break in the Trend Function at an Unknown Time. International Economic Review, 39(4), 1073-1100. doi:10.2307/2527353

Welch, C., Piekkari, R., & Plakoyiannaki, E. a.-M. (2010). Theorizing from case studies: Towards a pluralist future for international business research. J*ournal of International Business Studies*.

Appendix

Appendix 1: Effect of Importation on GDPPC

Dependent Variable: LGDPPC

Method: Least Squares

Date: 05/03/21 Time: 11:20

Sample: 1986 2019

Included observations: 34

HAC standard errors & covariance (Bartlett kernel, Newey-West fixed

bandwidth = 4.0000)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LIMP	0.091668	0.017230	5.320259	0.0000
C	9.944058	0.484112	20.54081	0.0000

R-squared	0.688153	Mean dependent var	12.48836
Adjusted R-squared	0.678408	S.D. dependent var	0.246736
SE of regression	0.139922	Akaike info criterion	-1.038447
Sum squared resid	0.626497	Schwarz criterion	-0.948661
Log likelihood	19.65360	Hannan-Quinn criter.	-1.007828
F-statistic	70.61450	Durbin-Watson stat	0.135915
Prob(F-statistic)	0.000000	Wald F-statistic	28.30516
Prob(Wald F-statistic)	0.000008		

Appendix 2: Effect of crude oil export on GDPPC

Dependent Variable: LGDPPC

Method: Least Squares

Date: 05/03/21 Time: 11:15

Sample: 1986 2019

Included observations: 34

HAC standard errors & covariance (Bartlett kernel, Newey-West fixed bandwidth = 4.0000)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOEXP	0.091903	0.017550	5.236669	0.0000
C	9.904857	0.494200	20.04221	0.0000

R-squared	0.660699	Mean dependent var	12.48836
Adjusted R-squared	0.650096	S.D. dependent var	0.246736
SE of regression	0.145951	Akaike info criterion	-0.954072
Sum squared resid	0.681652	Schwarz criterion	-0.864286
Log likelihood	18.21923	Hannan-Quinn criter.	-0.923453
F-statistic	62.31161	Durbin-Watson stat	0.141884
Prob(F-statistic)	0.000000	Wald F-statistic	27.42271
Prob(Wald F-statistic)	0.000010		

Appendix 2: Effect of government expenditure on GDPPC

Dependent Variable: LGDPPC

Method: Least Squares

Date: 05/04/21 Time: 08:50

Sample: 1986 2019

Included observations: 34

HAC standard errors & covariance (Bartlett kernel, Newey-West fixed

bandwidth = 4.0000)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGE	0.109952	0.018883	5.822946	0.0000
C	9.476566	0.522696	18.13016	0.0000

R-squared	0.717189	Mean dependent var	12.48836
Adjusted R-squared	0.708351	S.D. dependent var	0.246736
SE of regression	0.133248	Akaike info criterion	-1.136180
Sum squared resid	0.568165	Schwarz criterion	-1.046394
Log likelihood	21.31507	Hannan-Quinn criter.	-1.105561
F-statistic	81.14979	Durbin-Watson stat	0.125105
Prob(F-statistic)	0.000000	Wald F-statistic	33.90670
Prob(Wald F-statistic)	0.000002		