IMPACT OF FOREIGN AIDS ON POVERTY IN NIGERIA: A LONGITUDINAL STUDY (1992–2023)

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ABSTRACT: *Aids for citizens of a country like Nigeria cannot be overlooked. People require financial and other forms of assistance to be able to meet their basic needs. Conversely, the significance of all the assistance received from foreign bodies on households and nonprofit institutions in Nigeria is not clear. The study examined Net Official Development Assistance and Official Aid Received (NAID) and its effect on Households and NPISHs Final Consumption Expenditure (HNFC). The study used time series, relying on secondary data. It used Augmented Dickey Fuller (ADF) as a unit root test. It further tested the long run relationship among the variables via Johansen co-integration test. Simple regression model equation was adopted for the work. The study revealed that NAID has a significant effect on HNFC. The study concludes that NAID are the predictors and determinants for NAID in Nigeria. The study recommends that more Foreign Aid be encouraged in Nigeria.*

KEYWORDS: Nigeria, foreign aids, consumption expenditure, Households and NPISHs Final consumption expenditure (HNCE), Net official flows from UN agencies (NAID).

INTRODUCTION

Globalization which is derived from the word – global which is also gotten from another word; globe which means something spherical or round. According to the Merriam-Webster dictionary, global something means involving the whole world. The same dictionary defines globalization as the act or process of globalizing; the state of being globalized especially; the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets (Merriam-Webster, September, 2020). While the word poverty, according to Cambridge English dictionary, is defined as a lack of something or when the quality of something is extremely low. This means that to be poor is to be in lack or to live in an extremely low condition.

Ghimire (2006), also in his work on the effect globalization has on poverty clearly and emphatically stated that globalization causes panics particularly within counties and organizations, between those with the required competitive skill sets and resources in the global market and those who do not. Furthermore, he emphasized that this inconsistency is capable of giving rise to high unemployment rate which in turn pushes more people further below the poverty line. Nonetheless, the implication is that globalization breeds poverty in nations that are still struggling to measure up with the competitive advantage required to play in the global market, and Niagara falls within this range. According to Samimi et al. (2011), globalization is a broad concept used to describe a variety of phenomena that reflect increased economic, social and political interdependence of countries.

A World Bank report released on March 22, 2022 states that deep structural reforms guided by evidence are urgently needed to lift millions of Nigerians out of poverty (World Bank, 2022). The above remark by a renowned world body like the World Bank should be taken seriously by everyone either as a government or an individual. That is, both private and governmental organizations need to put hands together to achieve the much needed and urgently needed poverty alleviation if not eradication as soon as possible. Over some past decades, most economies of the world have become connected due to advancement in transportation, communication, and also trade liberalization that has reduced some forms of trade barriers between countries of the world. Lola (2009), in Okungbowa et al. (2014), stated that the connection can also be linked to expansion in portfolio investment such as international loans, foreign aids, purchases of stocks and increased inflows of foreign direct investment (FDI) especially through multinational corporations with major focus on the technical advanced, industries, such as ICT, Oil and Gas, Manufacturing and Banking industries in less developed nations of the world. This linkage, with which the whole world becomes a single market or global village such that goods, services and resources (both capital and labour) are traded on the global stage, is known as globalization by economists.

Globalization is the growing integration of the world economies. It is the intermingling of cultures, policies, economies, technologies (Umo, 2007 in Okungbowa et al., 2014). Umo further stated that the intermingling can create structural interdependence, that is, the act of making one system or entity to depend on the other for better or for worse. From the foregoing, globalization is portrayed as a double edged sword which can impact negatively or positively on lives of a people owing to how policymakers and implementers of the nation handle the issues around it. There are many risks and pains of globalization, which include but are not limited to the following: income inequality, environmental pollution, brain drain, foreign indebtedness, subjugation of less developed countries by developed ones, high

inequality rate, biased policies, instabilities, exchange rate fluctuation, etc. All these lead to a wide spread margin between the rich and the poor which eventually results in global poverty (Okungbowa et al., 2014). At the same time, the majority of the population do not access the benefits of global free trade but, on the contrary, suffer the harmful effects of global warming due to climate change, causing situations of famine, civil war and migratory crisis (Assens, 2019)

According to the World Bank (September, 2022) the international poverty line, used to define extreme global poverty, is now revised to US$2.15 from US$1.90. Poverty lines for other sets of countries have also been revised upwards. The poverty line for lower middle-income countries (LMICs) has moved to US$3.65 from US$3.20, while the poverty line for upper middle-income countries (UMICs) has moved to US$6.85 from US$5.50. Since Nigeria is our focus and we want to study how globalization affects the country's rate of poverty, we will adopt the US$2.15 extreme poverty line. In 2022, the extreme poverty rate in Africa stood at around fifty percent (50%) among the rural population, compared to ten percent (10%) in urban areas. Together with poverty, malnutrition is also widespread in Africa. Limited access to food leads to low health conditions, increasing the poverty risk (The World Bank, 2022). The World Bank (2020) in its Poverty and Shared Prosperity Report discusses how the poor in Sub-Saharan Africa are also more likely to be exposed to the threats of conflict and climate change, which will lead to an increase in the rate of poverty in the region. The report further stated that the COVID-19 pandemic is estimated to push some 100 million people into extreme poverty in 2020 alone. The above report holds a lot of consequences for Africa as a whole and Nigeria in particular.

Here in Nigeria, a large number of the population still live below the $2.15 per day, coupled with issues of poor health care, leading to high infant and maternal mortality rate with mortality rate of 358 per 1000 births in 2020, leaving Nigeria at number 167 out of 192 countries in 2020 World Bank global mortality rate ranking (global economy.com, 2020). These and other negative indices are fueling underdevelopment and poverty in Nigeria. Furthermore, Nigeria accounts for 20% of the extreme poverty rate in sub-Saharan Africa (World Bank, 2022). This is almost half of the poverty ratio of the region which, according to the World Bank, stands at 40% as of 2018.

And despite all the programs put out by several administrations and regimes of government, beginning with the poverty alleviation program (NAP), to national poverty eradication program (NAPEP), to national social investment management system (NASIM) which is the most recent one, there is yet wide spread poverty in the land. This simply shows that the programs are not producing the expected results for the people of Nigeria in terms of poverty reduction.

For this research, the empirical framework looks at previous studies that have been tested and verified by means of scientific experimentation, although there are not many existing studies that have been carried out as it relates to the topic as reviewed here, on globalization and rate of poverty in Nigeria. In establishing this fact, only but a few articles were found to have been published on the effect of globalization on poverty in Nigeria.

From literature, nations that were poorer have been recording increases in their national income and also their rate of unemployment, inflation, diseases and illiteracy are increasing simultaneously, giving rise to a high poverty rate (Aibieyi & Dirisu, 2010). Akinlade et al.

(2011) also observed that most of the programs that were deployed were not to benefit the poor of the society and that made it impossible for them to achieve their aims.

As established earlier, there is limited or few research available so far on this subject of how globalization is affecting the rate of poverty here in Nigeria. Even the available works have shown some level of variations in their findings and conclusions.

According to Nnadi (2010), globalization significantly affected the economic growth of Nigeria as a result of decline in Foreign Direct Investment (FDI). He further noted that this can lead to increase in unemployment rate, poverty level and unfairness, and for the issues to be remedied, major economic policies would need to be changed. This implies that a positive link exists between globalization and poverty in Nigeria in his work, since a shortfall in the inflow of foreign investors can cause the rate of poverty to increase.

Also, Oyewale and Amusat (2013) stated that a non-linear relationship exists between globalization and poverty decline in Nigeria. Furthermore, they affirmed that the level of impact globalization would have on poverty depends on the degree to which the poor take part in the processes of income growth, but there is a level of uncertainty of that happening. Therefore, since it is more likely for the rich to continue to participate more in income growth activities related to globalization, it reduces the impact globalization has in reducing poverty.

Conversely, Salimono (1999) found that globalization provides economies with opportunities of eliminating poverty. By connotation, it implies a depressing correlation between globalization and poverty. Sustaining the position above also, Awake (2002) stated that the income of families since the beginning of globalization has improved three times more than it used to be fifty years before. The case of Nigeria is different from the above since real-income levels over the same time have witnessed a reduction instead of an increase.

As the war against global poverty rages on, there are three main forces that have been identified by studies to be posing serious challenges for almost all nations of the world. These triple fold evil, which according to the report of the study are interwoven, complementing and supporting themselves are as follows: the COVID-19 pandemic which came with its economic crises, armed clashes and climate change. It is possible for the world to overcome the three forces and it is also possible for the world to be devastated by their effects (World Bank, 2020). Either way, it is up to us to decide on plans and actions moving forward.

Most of the already existing empirical studies carried out by some researchers on the subject of globalization and poverty rate in Nigeria, e.g., Salimono (1999), Nnadi (2010), Aibieyi and Dirisu (2010), Akinlade et al. (2011), Oyewale and Amusat (2013), and Asadullah et al. (2014) have all tried to show that the relationships that exist between the two phenomena may not reflect the actual realty obtainable currently. This is because all the work was done seven years ago. In a broad, diverse and dynamic economy such as Nigeria, which is also a major player in the global economy, a lot can change in less than five years. So this work is set to empirically review the trend in recent years.

Statement of the Problem

It has been stated that the number of poor persons in Nigeria will rise to 95.1 million in 2022. The number of poor people was 89.0 million in 2020 and would be 95.1 million in 2022. This would mean that 6.1 million more people may likely go under the poverty line between 2020 and 2022; this means a 6.7% increase in poverty rate (World Bank, 2022). The report posits further that with these projected figures for 2022, the number of Nigerians living in poverty has had a four year increase of 14.7% from the 2018/2019 figure of 82.1 million to the projected 95.1 million in 2022. This negative escalation of the poverty rate in Nigeria came after the government claimed that it helped 10.5 million Nigerians to come out of poverty between 2019 and 2021. There is also a claim by the presidency that the Nigerian Bank of Industry has created nine million jobs in the country since 2015. Also, different schemes to create jobs and tackle poverty in the country have been launched in recent times by the current administration, some of which include N-Power, Conditional Cash Transfer (CCT), Government Enterprise and Empowerment Program (GEEP), and National Home Grown School Feeding Program (NHGSFP). In reality, all these measures of government listed above have not birthed the expected outcome in poverty reduction in Nigeria.

In recent years, some scholars have taken it upon themselves to research the impact of globalization on the economy of different countries of the world and how it has also affected the livelihood of the citizens of those nations. Most of the studies show that globalization is improving the livelihoods of residents of some nations, especially the developed, but the case is mostly not the same for less developed ones. This is in agreement with Lola (2009) in Okungbowa et al. (2014) that, in practice, globalization carries with it gains and opportunities as much as risks and pains. It further noted that developed countries like the USA, Japan, the UK, etc are gaining very much from globalization, thereby leaving the less developed ones, particularly African countries, to bear the pains and risks of globalization.

Therefore, the preliminary projection of this study is to determine if the indices for globalization, as adopted by this study which are Net official development assistance and official aid received (NAID), all things being equal would give rise to better households/NPISHs final consumption expenditure (HNFC) which are adopted herein as indicators of poverty amongst the people of Nigeria over the period in view. But, as stated above, globalization is a double-edged sword, which comes with either a benefit or at a cost to any nation in question. The study seeks to find out whether or not the results will agree with the above projections.

RESEARCH OBJECTIVES

The main objective of this research is to examine the impact of foreign aids on the rate of poverty in Nigeria. However, the objectives are to:

Assess the level of influence of net official development assistance and official aid received (NAID) on households/NPISHs final consumption expenditure (HNFC) in Nigeria.

RESEARCH QUESTIONS

Does net official development assistance and official aid received (NAID) have any effect on households/NPISHs final consumption expenditure (HNFC)?

HYPOTHESIS

The statements would be tested to determine the significance of the relationship between the variables being studied.

Hypothesis

Net official development assistance and official aid received (NAID) have no effect on households/NPISHs final consumption expenditure (HNFC).

SCOPE OF THE STUDY

There are various factors that affect the welfare of the people of any country. Some of these factor may be internal resulting from government policies/activities, natural disasters, literacy, etc. and some are could be due to external forces emanating from policies of sub-regional bodies (ECOWAS, COMESA, ACS, etc), regional bodies (AU, EU, LAS, etc) and international bodies (UN, WTO, WHO, etc). The degree of effects varies enormously from country to country, depending on the ability of the government of each nation to take advantage of the opportunities and militate against the costs that come with the operations and policies of these bodies. The same is true with respect to globalization resulting from activities of some of these bodies to which Nigeria is a participant and how it is affecting the rate of poverty in Nigeria. That is what this study seeks to unravel. In order to achieve the above, this work would focus only on globalization and how it affects the rate of poverty in Nigeria.

The study seeks to uncover the significance or how globalization is aiding Nigeria with the war against poverty from the year 1992 to 2020 (30 years' period). The study would use net official development assistance and official aid received (NAID) as indicators for globalization while households/NPISHs final consumption expenditure (HNFC) in Nigeria is used as an indicator for poverty over the period in view in Nigeria. The indicators range from the year 1990, thirty-two (32) years after Nigeria's independence, to the year 2021, fifty (50) years after the very first official anti-poverty program known as national accelerated food production program (NAFPP), and the Nigerian agricultural and co-operative bank (NACB) was launched in Nigeria in the year 1972 by the then head of states, General Yakubu Dan-Yammu Gowon. With this, the study would be able to capture a broad scope of issues and activities that cover a significant period as it relates to the welfare of the people of Nigeria.

SIGNIFICANCE OF THE STUDY

According to the World Bank's capital index, Nigeria is ranked 150 out of 157 countries in human capital development world ranking. The report further stated that inequality, in terms of income and opportunities, remains high and has adversely affected poverty reduction. It noted that lack of job opportunities, regional inequality, and social/political unrest are major contributors to poverty in Nigeria. Also, high price rises have taken a toll on households' welfare and rising prices in 2020–2022 are likely to have pushed an additional 8 million Nigerians into poverty (World Bank, 2022). In 2018, 40% of Nigerians (83 million people) lived below the poverty line, while another 25% (53 million) were in danger of becoming poor. With the population of Nigeria constantly growing above poverty reduction rate, the number of people living in extreme poverty is set to rise by 7.7 million between 2019 and 2024 in Nigeria (World Bank, September, 20222). Therefore there is a need to find solutions from everywhere possible to reduce poverty in Nigeria.

DEFINITION OF TERMS

Globalization: Globalization describes how business interactions and technological advancements have turned our planet to an interwoven and interdependent world. Also, it covers the areas of economic and societal changes. It is often used to show how much different nations' cultures and economies are dependent and rubbing off on one another (NGS, 2022).

Poverty Rate: Poverty rate is the proportion of the number of people (in a particular age set) with income below the acceptable poverty line, taken as half the median household income of the total population. It is also obtainable by a wide age group: child poverty rate is from age 0 to age 17 while working-age poverty and elderly poverty rates range from 66-years-old or more). In some cases, two countries having the same poverty rates may have relatively different income levels of their poor people (OECD, 2015).

Net Official Development Assistance and Official Aid Received (NAID): Net official development assistance is disbursement flows (net of repayment of principal) that meet the DAC definition of ODA and are made to countries and territories on the DAC list of aid recipients. Net official aid refers to aid flows (net of repayments) from official donors to countries and territories in part II of the DAC list of recipients: more advanced countries of Central and Eastern Europe, the countries of the former Soviet Union, and certain advanced developing countries and territories. Official aid is provided under terms and conditions similar to those for ODA. Part II of the DAC list was abolished in 2005. The collection of data on official aid and other resource flows to Part II countries ended with 2004 data. Data are in current U.S. dollars (OECD, 2022).

Households and NPISHs Final Consumption Expenditure, PPP (current US$) (HNFC): Household and NPISHs final consumption expenditure (formerly private consumption) is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licenses. This indicator includes the expenditures of nonprofit institutions serving households even when reported separately by the country. Data are in current U.S. dollars (World Bank, 2022).

LITERATURES REVIEW

Concept of Globalization

Globalization is a concept that has been generating a lot of discussions among scholars and policy players all over the world. It is an idea with many phases or dimensions. Globalization is derived from the word, global, which is also derived from another word, globe which means something spherical or round and encompassing in form. According to the Merriam-Webster dictionary, global means involving the whole world. The same dictionary defines globalization as the act or process of globalizing; the state of being globalized; the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets (Merriam-Webster, 2020). Globalization is a multifaceted process, characterized by a wave of privatization in public utilities and other previously state-owned industries, reform of both domestic financial markets and taxation systems, and liberalization of labour markets, which has produced unprecedented acceleration in the flows of both international trade and Foreign Direct Investment (FDI) (Oyewole, 2013). Lola (2009), in Okungbowa et al. (2014), stated that globalization carries benefits and opportunities as well as risks and costs. She further noted that developed countries like the United States of America (USA), Japan and the United Kingdom (UK) are benefiting greatly, thereby leaving the less developed countries, particularly African countries, with the costs and risks of globalization. Globalization, according to Dreher (2006), can be viewed as "a process that eliminates different forms of hindrances and barriers in terms of boundaries, integrates national economies, cultures, technologies and governance, and produces complex relationships of mutual interdependence amongst different countries." It has been established that globalization affects poverty in different ways, which gives rise to gainers and losers at the global stages (Goff & Singh, 2014).

Concept of Poverty

According to Schoch and Lakner (2020), the overwhelming majority of people living below the poverty line globally are found in South Asian and sub-Saharan African (SSA) countries. Among the regions of the world most affected by poverty, sub-Saharan Africa has 50 million more poor people today than 40 years ago, with 403.2 million people living in poverty or below the poverty line. The concept of poverty is about not having enough money to meet basic needs, including food, clothing and shelter. However, poverty is more, much more than just not having enough money. The World Bank Organization describes poverty in this way: "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, fear for the future, living one day at a time. Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So poverty is a call to action – for the poor and the wealthy alike – a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities." The United Nations puts it this way: Poverty entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as well as the lack of participation in decision-making.

Measure Taken against Poverty in Nigeria

The war against poverty in Nigeria officially began in 1972 with the establishment of the National Accelerated Food Production Program (NAFPP) and the Nigerian Agricultural and Co-operative Bank (NACB). For many years, successive governments and administrations in Nigeria have tried to solve the problem of poverty with one program or the other, with little or no effect so far.

Theories of Globalization

The gains and losses of globalization are the topic of continuing discussion. The setback to globalization can be seen in the higher risks of spreading diseases like ebola, COVID-19, severe acute respiratory syndrome (SARS), etc. or in the variety of environmental damages that scientist Paul R. Furumo has studied in microcosm in palm oil plantations in the tropics. Globalization has in fact brought about great good to the world too. For instance, wealthier nations can now come to the aid of poorer nations when the need arises. Growing diversities in many countries have meant more chances to discover about and appreciate the cultures of other people.

Globalization has given us a sense that there is a global village, a worldwide "us" (National Geographic Society, 2022), and I must say that globalization is a concept that has come to stay, regardless of how anyone feels about it. So, the best option for any people, nation or government to choose is to take the bold step in building institutions and making policies that would enable them to benefit from the gains of globalization.

Theories of Poverty

Existing studies have it that poor nations have been enjoying increases in their national income and, on the other hand, suffering increases in unemployment, inflation, diseases and illiteracy, giving rise to high poverty rates (Aibieyi & Dirisu, 2010). Poverty reduction remains at the heart of the post-2015 development agenda, which is a United Nations agenda to define the future global development framework meant to replace its Millennium Development Goals (MDGs) (World Health Organization, 2013). There are no generally accepted determinants for poverty in literature presently, especially how the structural conditions are linked to the quality of institutions. It is estimated that about 783 million people live below $1.90 a day worldwide. This was one of the reasons that prompted the United Nations to set the first Sustainable Development Goals (SDGs) which was designed for the "eradication of severe poverty from people universally" by 2030 (Kenny, 2015). According to Schoch and Lakner (2020), globally, a devastating majority of people living below the poverty line are found in South Asian and sub-Saharan African (SSA) countries. Among the regions of the world most affected by poverty, sub-Saharan African countries combined have over 50 million more poor persons at present than they had 40 years ago, with 403.2 million persons below the poverty line.

Empirical Review

According to Nnadi (2010), globalization significantly affected the economic growth of Nigeria as a result of decline in Foreign Direct Investment (FDI). He further noted that this can lead to an increase in unemployment rate, poverty level and unfairness and for the issues to be remedied, major economic policies would need to be changed. This implies that a positive link exists between globalization and poverty in Nigeria in his work, since a shortfall in the inflow of foreign investors can cause the rate of poverty to increase.

Also Oyewale and Amusat (2013) stated that a non linear relationship exists between globalization and poverty decline in Nigeria. Furthermore, they affirmed that the level of impact globalization would have on poverty depends on the degree to which the poor take part in the processes of income growth, but there is a level of uncertainty of that happening. Therefore, since it is more likely for the rich to continue to participate more in income growth activities related to globalization, it reduces the impact globalization has in reducing poverty.

Conceptual Model
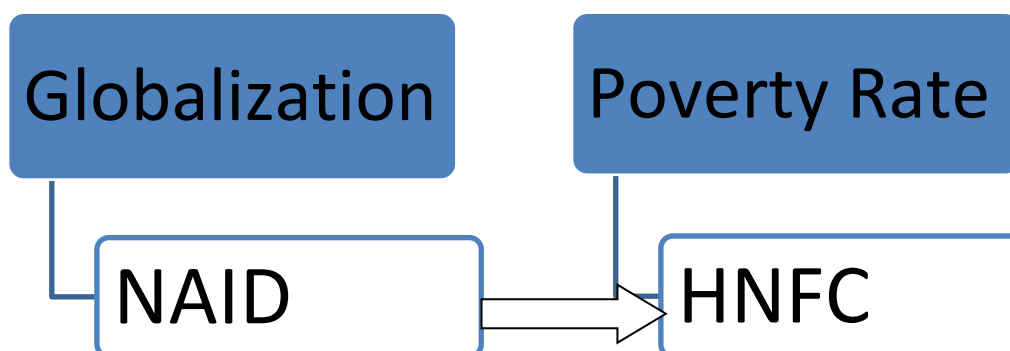
Source: The Author (2023) from Review of Extensive Literature

where:

NAID: Net Official Development Assistance and Official Aid Received (current US$)

HNFC: Households and NPISHs Final Consumption Expenditure, PPP (current US$).

METHODOLOGY

The frame of this work is the monetary volume and values of Net Official Development Assistance and Official Aid Received (current US$) and Households and NPISHs Final Consumption Expenditure, PPP (current US$), from the year 1992 to the year end 2020, representing 28 years' period, covering latest years of military rule into the civilian regime till date.

Time series research design was adopted because it establishes the positive and/or negative direction of the variables employed in this study. The study relied on a secondary source of data collection because of the quantitative nature of the study. The sources of data for the

study consists of already published data in books, journals, magazines, reviewed literatures, academic thesis, internet, National Bureau of Statistics of Nigeria (NBC), United Nations Conference on Trade and Development (UNCTAD), United Nations Broad Economic Category (UNBEC) classification scheme, World Bank Database (WBD) and The Central Bank of Nigeria (CBN) from 1992 to 2020.

HNFC = f (NAID) ……….. 1

$HNFC_t = Q_0 + Q_1 NAID + Ɍ_t$ …………. 2

where:

$_t$ = Intercept on the Y axis

Q_0 to Q_1 = Rate of change in HNFC due to NAID

$Ɍ_t$ = Error term

The study employed Augmented Dickey Fuller (ADF) as unit root test to ascertain the stability of the data in order to avoid spurious results. The study further tested the long run relationship among the variables via Johansen cointegration test. The simple regression model equation was adopted for the research work.

RESULTS

Descriptive Analysis of Consumption Expenditure and Foreign Aid

Table 1: Descriptive Statistics for the Study

	Consumption Expenditure	Foreign Aid
Mean	3.66E+11	33828027
Median	2.52E+11	31129999
Std. Dev.	2.78E+11	17155500
Skewness	0.497415	0.125809
Kurtosis	1.723237	1.330494
Jarque-Bera	3.165604	3.444428
Probability	0.205399	0.178670
Sum	1.06E+13	9.81E+08
Sum Sq. Dev.	2.17E+24	8.24E+15
Observations	29	29

Source: Researchers' Computation (2023)

Interpretation

Table 1 shows the unit root test for Net Official Development Assistance and Official Aid Received (NAID) and Households and NPISHs Final Consumption Expenditure (HNFC) from 1990 to 2020. It is shown that HNFC has an average value of 3.66E+11 with standard deviation of 2.78E+11. The average value for NAID is 33828027 with standard deviation of 17155500 for the period under review.

The measures of normality show skewness, which measures the asymmetry of the distribution, and kurtosis, which measures the peakness and flatness of the distribution. It is shown that Net Official Development Assistance and Official Aid Received (NAID) and Households and NPISHs Final Consumption Expenditure (HNFC) have positive values of skewness, which shows that they are positively skewed (long right tail). Also, it is further revealed that all the variables employed in the study, Net Official Development Assistance and Official Aid Received (NAID) and Households and NPISHs Final Consumption Expenditure (HNFC), have peaked because they have positive values. The Jargue-Bera shows the difference between the skewness and kurtosis. It is indicated that Households and NPISHs Final Consumption Expenditure (HNFC) and Net Official Development Assistance and Official Aid Received (NAID) have higher values of Jargue-Bera values.

Test for Stationarity

This section of the research work focused on the unit root test results to ascertain if the data for the study are stable.

Table 2: Unit Root Test for Consumption Expenditure and Foreign Aids

Variables	ADF Values	5% Critical Values	Prob.	Order of Integration.
Consumption Expenditure	-3.125237	-1.953858	0.0030	I(1)
Foreign Aid	-4.922872	-1.953858	0.0000	I(I)

Source: Researchers' Computation (2023)

Interpretation

Table 2 shows the results of the unit root test for the proxies of globalization and poverty in Nigeria, which are Foreign Aid and Consumption Expenditure respectively. Augmented Dickey Fuller (ADF) was adopted to ascertain the stability of the data. The results indicated that the ADF values for Consumption Expenditure and Foreign Aids (-3.125237 and -4.922872 respectively) were all less than the 5% critical values (-1.953858 and -1.953858 respectively) ignoring the sign with p-values (0.0030 and 0.0000 respectively) which were less than 5% critical values (ADF values < 5% critical values).

Long Run Relationship

Table 3: Consumption Expenditure and Foreign Aids

Hypothesized No of CE(s)	Trace statistics	5% critical value	Probability	Max-Eigen Statistics	5% critical value	Probability
None	10.16737	15.49471	0.2681	7.832234	14.26460	0.3960
At Most 1	2.335133	3.841466	0.1265	2.335133	3.841466	0.1265.

Source: Researchers' Computation (2023)

Interpretation

Table 3 displays the results for the long run relationship between Net Official Development Assistance and Official Aid Received (NAID) and Households and NPISHs Final Consumption Expenditure (HNCE) businesses from 1992 to 2020. It was indicated that there is a long run relationship between NAID and HNCE. The trace test statistic result at "None" (10.16737) is greater than the 5% critical value of 15.49471. Also, the value of max-eigen statistic (7.832234) is less than 5% critical value (14.26460 at None). The probabilities values for the trace test statistic and max-eigen statistic were less than 0.05% significant level. This shows that there is a long run relationship among the variables.

Ordinary Least Square

Hypothesis: Foreign Aids do not have significant effect on Consumption Expenditure.

Table 4: Consumption Expenditure on Foreign Aids

Independent Variable	Coefficient	Std. Error	t-Statistic	Probability
Consumption Expenditure	0.783770	0.061324	12.78086	0.0000
Foreign Aids	3714.197	995.2518	3.731917	0.0010
C	-3.04E+10	2.07E+10	-1.470329	0.1539
R-Square	0.976383		F-statistic	516.7825
Adjusted R-Squared	0.974494		Prob(F-statistic)	0.000000

Dependent Variable: Consumption Expenditure

Source: Researcher's Computation (2021)

Table 4 shows the regression results for Foreign Aids and Consumption Expenditure. The results reveal that Foreign Aids explained the variations in Consumption Expenditure by 97.45% (0.9745) while the remaining 2.55% was explained by other factors not captured in the hypothesis. The results showed that Foreign Aids has a positive and significant effect on Consumption Expenditure (β = 3714.197, t-statistic = 3.731917, p-value= 0.0010<0.05% significant level). The results also show the F-statistic (516.7825) with p-value 0.0010. Due to the p-value that is less than 0.05 significant level, the study therefore rejects the null hypothesis that Foreign Aids do not have a significant effect on Consumption Expenditure in Nigeria for the period under review.

DISCUSSION

The importance of any form of assistance to any person, group of people, organization or nation cannot be over stressed. Foreign or international bodies or organizations can play an important role in lifting burdens off the shoulders of people or nations. From the findings on the hypothesis, it is identified that a change in the units of Net Official Development Assistance and Official Aid Received here, referred to as Foreign Aids, will cause a change in Households and NPISHs Final Consumption Expenditure herein, referred to as Consumption Expenditure, by 3714.197. This depicts that Net Official Development Assistance and Official Aid Received and Households and NPISHs Final Consumption Expenditure move in the same direction, which means that there is a direct influence of Net Official Development Assistance and Official Aid Received on Households and NPISHs Final Consumption Expenditure. However, Net Official Development Assistance and Official Aid Received could not predict the volume of credit that would be given to Households and NPISHs Final Consumption Expenditure. The findings agreed with the studies of Sun, Sowunmi, F. (2016) but disagreed with the findings of Uzonwanne, M. C. (2018).

CONCLUSION

This study focused on Net Official Development Assistance herein, referred to as Foreign Aids and Official Aid Received, and Households and NPISHs Final Consumption Expenditure in Nigeria herein, referred to as consumption expenditure. The study revealed that Net Official Development Assistance and Official Aid Received have a positive and significant effect on Households and NPISHs Final Consumption Expenditure. The study concluded that Net Official Development Assistance and Official Aid Received are the predictors and determinants for Households and NPISHs Final Consumption Expenditure in Nigeria. Thus, the study recommends that the controllers of the Nigerian economy should adopt measures to stabilize and encourage the inflow of foreign aids to the country. Also, the UN, the World Bank and other donors should continue to increase their aid to Nigeria in order to keep helping in the reduction of poverty and bettering the lives of the people.

PRACTICAL IMPLICATION OF THE STUDY

The findings of the work will be important to governmental agencies, NGOs, civil society groups, international organizations like UN, EU, G8, the World Bank, AU, ECOWAS, etc. Also, the study will help the Nigerian government to appreciate the effect of Foreign Aids in poverty alleviation. This study will assist the public to know that the contributions of globalization factors, like the one considered in this study, benefits them generally. This work will aid future researchers for studies related to factors of globalization and people's wellbeing.

FUTURE RESEARCH CHALLENGES

Further studies on globalization factors affecting poverty in Nigeria can be carried out on multinational companies, foreign direct investment and free trade.

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