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AN ASSESSMENT OF THE ROLE OF ECONOMIC RECOVERY AND GROWTH PLAN (ERGP) IN THE INFLUENCE OF TRADE OPENNESS ON ECONOMIC DEVELOPMENT IN NIGERIA

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ABSTRACT
The impact of trade openness on economic development has sparked significant debate among researchers, academics, and practitioners, especially in developing countries. This study aims to assess the role of the Economic Recovery and Growth Plan (ERGP) in influencing the relationship between trade openness and economic development in Nigeria over eight years period, from January 2013 to December 2020. Utilizing the Autoregressive Distributed Lag (ARDL) model, the analysis reveals that both the ERGP and trade openness have a positive and significant impact on economic development in both the short and long run. Conversely, inflation exhibits a negative and significant relationship with economic development in both time frames. The findings suggest that the ERGP effectively promotes economic development. Therefore, it is recommended that Nigeria adopt trade liberalization policies and continue to implement the ERGP to enhance economic development, particularly in alignment with its established objectives outlined in national blueprints.
Keywords: ERGP, trade openness, economic development, ARDL model, Nigeria

1. INTRODUCTION

The impact of trade openness on economic development has been the subject matter of much critical debate among researchers, academics and practitioners, predominantly in developing countries, like Nigeria. Trade liberalization is often seen as a mechanism of creating a favorable environment that results in high-quality products that contribute to economic development. Thus, foreign trade is considered an important source of economic growth and development. Unfortunately, foreign trade flows have often been highly volatile and prone to recurring trade barriers which has catastrophe impact on economic development (Muhammad & Hassan, 2024). Numerous countries appreciate trade openness because of the large, favorable externalities associated with the foreign trade. Therefore, foreign trade's position as a keen driver of economic growth and development is fast becoming critically pivotal, most especially in African countries, since the continent is highly endowed with natural resources but there is low industries with technical knowhow to process the abundant resources into consumable goods as well as intermediate products. Therefore, Economic Recovery and Growth Plan (ERGP) is necessary to complement trade openness towards promoting economic growth and development, particularly in developing countries (Muhammad & Hassan, 2024).

By and large, the fact remains that Nigeria's considerable endowment in natural resources has not been translated into a desirable economic performance, rather, the nations' mono-cultural economy assumed a precarious dimension in its foreign trade position, susceptible to the vagaries of the international markets. For instance, Nigeria's extreme reliance on the crude oil market has triggered structural difficulties for the economy, as earnings from crude oil fluctuates along with market trends which are aggravated by the country's neglect of other productive sectors of the economy, like agriculture and industrial sector. This negative trend has persisted despite various economic policies vis-viz economic reforms embraced by successive Nigerian governments since 1980 with a view to diversify the economy. So that, Nigeria will attain favorable balance of trade that will ameliorate economic growth and development. This is only

achievable unless the country sharpens its Economic Recovery and Growth Plan (ERGP) and economic reform initiatives towards ensuring effective diversification of the real productive sectors of the economy, else the performance of the economy will continue moving at unimpressive trend.

Therefore, the relevance of Economic Recovery and Growth Plan's (ERGP) on the overall economic growth and development of any economy has been globally well acknowledged by researchers and policymakers, most especially in this era of newly emerging economies in the international market. Over the years, Economic Recovery and Growth Plan (ERGP) has become more intertwined with the real economy and its complexity, with regards to implementation and execution, has increased to a large extent due to corruption, political instability, financial and economic meltdown, oil price volatility amongst others. Therefore, any disruption in execution of Economic Recovery and Growth Plan (ERGP) can lead to a serious slowdown in the level of economic activities such as foreign trade, employment, consumption expenditures, government spending, gross investment and among others. It is noteworthy to say that the propensity for an economy to accelerate economic development in Nigeria depends to a large extent on how Economic Recovery and Growth Plan (ERGP) impacts on the aforesaid targets (Muhammad and Hassan, 2024). Thus, the contribution of Economic Recovery and Growth Plan's (ERGP) to economic growth and development through several mechanisms such as savings mobilization, funds allocation to real sectors of production and monitoring its utilization for effective investment in such sectors which enhance balance of trade.

In light of the above, empirical evidence until recently indicates that Nigeria is ranked first in terms of highest GDP and the largest population in Africa with a GDP of $446.543 billion (nominal GDP) and $1.217 trillion (Purchasing Power Parity) and with a current population of 200 million based on the latest United Nations estimates (Muhammad and Hassan, 2024). Sequel to this, Nigeria is a powerhouse of economy as well as great market with huge potentialities for trade openness. Thus, the future of Nigerian economy is highly bright as the leading economy in Africa and as a next to South Africa which is the second largest economy after Nigeria, with a GDP of $429.511 billion (Sabo, Muhammad, & Giwa, 2019). Therefore, Nigeria being the largest economy in Africa has a gargantuan cause to play vital role in international trade so that the advantageous benefits of specialization will be accessible across borders for the betterment of Africans and the rest of the world. It has been noted that the gains from trade openness have not been fully utilized in Nigeria, given the endowed natural resources in the country which supposed to take advantage of the opportunities arising from a more global business environment; as such, poverty and unemployment remain very high in the economy. It is then imperative to study the influence of Economic Recovery and Growth Plan (ERGP) in determining the effect of trade openness on economic development. It is evident that, in developing countries like Nigeria, the gain from trade openness has not been translated into the quality of life and welfare of the populace, as the high rates and volume of trade and economic growth could not explain the poverty level.

Our motivation lies on the aim to investigate the extent to which trade openness facilitates economic development in Nigeria through the influence of Economic Recovery and Growth Plan (ERGP). This paper is engrossed on the fact that, to the best of our knowledge, there is no empirical studies on the role of Economic Recovery and Growth Plan (ERGP)in influencing the impact of trade openness on economic development. The non-existence of empirical studies on the role of Economic Recovery and Growth Plan (ERGP) on the nexus between trade openness and economic development made this study unique and distinct from the previous related literature; therefore, this study is novel. Furthermore, the study extends its contributions to the existing literature (Muhammad and Hassan, 2024; Ghimire, Lin, & Zhuang, 2021; Yameogo & Omojolaibi, 2021; Kang, 2021;Nguyen, 2020; Abendin & Duan, 2021;Rahman, 2021) on the impact of foreign trade or trade openness on economic growth but all previous studies seem to have ignored the role of the Economic Recovery and Growth Plan (ERGP) in influencing the impact of trade openness on economic development, particularly in Nigeria. It is against this background that this study intends to empirically assess the role of Economic Recovery and Growth Plan (ERGP) in the influence of trade openness on economic development in Nigeria. The study is, however, structured into six (6) sections. Following this introductory section is section 2 which presents the literature review and theoretical framework, while section 3 contains the sources of data and other components of research methodology. The data presentation, analysis, interpretation and discussions of findings are articulated in section 4, while sections5 and 6 present summary of major findings as well as conclusion and recommendations of the study.

2. LITERATURE REVIEW

Empirical studies investigating the impact of foreign trade openness on economic growth are abound such as Ghimire, Lin, and Zhuang, (2021), Yameogo and

Omojolaibi (2021), Kang (2021), Rahman (2021),and Abendin and Duan (2021) to mention but a few; but specifically there is no empirical study on the role of Economic Recovery and Growth Plan (ERGP)in influencing the impact of trade openness on economic development in Nigeria which serves as an institution as well as lacuna for carrying-out this study. For instance, Muhammad and Hassan (2024) analyzed the impact analysis of Economic Recovery and Growth Plans on macroeconomic performance in Nigeria using ARDL model. The findings reveal that the ERGP significantly promotes inclusive economic development in both the short-run and long-run, confirming its role in driving sustainable growth across various sectors of the Nigerian economy. However, government expenditure presents a mixed impact: while it dampens economic development in the short-run, it promotes growth in the long-run. The short-term negative effect of government spending is attributed to delays in the approval and execution of the national budget, which hinders the timely implementation of fiscal policies. Yameogo and Omojolaibi (2021) showed that foreign direct investment, trade openness and institutional quality have significant and positive impact on economic growth in the long term; whereas, in the short-run, only institutional quality has significant and negative impact on economic growth. The finds also showed that institutional quality, trade openness and population growth rate reduces poverty in the long run, whereas trade openness has adverse impact in the short run.

In a related study by Rahman (2021), the finds showed existence of a long-run equilibrium relationship among the variables under investigation where energy consumption, foreign trade, capital and FDI are positively related to economic growth. Abendin and Duan (2021) found that foreign trade has positive effect on economic growth when interacted with the digital economy and the output elasticities of labor and capital have positive as well as negative effect on economic growth. Using ARDL model, Ghimire, Lin, & Zhuang (2021) found a positive relationship between economic growth, energy, and FDI towards agricultural environmental pollution in the long-run. While, agricultural trade has positive impact on agricultural environmental pollution in the short run.

In Tanzanian study, Namangaya (2014) found that the traditional approaches to planning for urban and regional economic development are neither beneficial nor environmentally affordable; therefore, spatial planning in term of local economic development (LED) has been established as an approach capable of bringing about sustainable and equitable economic growth in Tanzania. Using Fixed Effect Panel data analysis, Alimi (2018) disclosed that government spending had positive significant impact on economic growth. On the other hand, it revealed that openness and institutional quality had negative significant impact on economic growth. Meanwhile neither inflation nor population had significant impact on economic growth. Mallick (2008) revealed that the capital expenditure had no significant impact on economic growth, while the recurrent expenditure and openness had positive significant impact on economic growth.

In the light of the above, Chimhowu, Hulme, & Munro (2019) found that the number of countries with a national development plan has increased from 62 countries in 2006 to 134 in 2018 and also finds that more than 80 per cent of the global population now lives in a country with a national development plan driven in by a need to plan for Sustainable Development Goals (SDGs). In Indian study, Nallathiga (2016) established that Economic Recovery and Growth Plan (ERGP) have been the origins of change in the urban environment for the past decades. It is revealed that the result of this traditional Economic Recovery and Growth Plan (ERGP) approach is turning out to be frustrating because of the unrealistic plans; long time taken for their preparation and approval, ill-adequately or inadequately thought or planned proposals, etc. are forcing the exploration of alternative methods. Bello and Akinbobola (2019) revealed that there is uni-directional causality between economic growth and poverty and a bi-directional causality between trade openness and poverty in the short-run. It further revealed that consumption expenditure per capita, economic growth and government spending granger-cause trade openness in the long run.

Lending support to the work of Slaev and Nedovic-Budic (2016) showed that, despite the Economic Recovery and Growth Plan (ERGP)'s low-density aspirations, Sofia is becoming more compact and concentrated, while losing its green edges and failing to redirect growth to its northern territories where ample space and opportunities exist. In Iranian study, Tilaki and Marzbali (2014) established that an evaluation framework based on the universal experiences could not normally be used in the evaluation of the urban development plans of Iran due to the differences in the environmental settings. However, in Georgian study, Khoshtaria (2018) found that rational and comprehensive Economic Recovery and Growth Plan (ERGP) contributes towards better organizational performance and that manufacturing companies focusing on Economic Recovery and Growth Plan (ERGP) pay less attention to the degree of effective strategy implementation planning. In line with the above, Joshua (2015) established that the use of the Economic Recovery and Growth Plan (ERGP) will impact positively on the environment and sustainable

development. Using Fixed Effect Panel data analysis, Alimi (2018) disclosed that government spending had positive significant impact on economic growth. On the other hand, it revealed that openness and institutional quality had negative significant impact on economic growth. Meanwhile neither inflation nor population had significant impact on economic growth. Mallick (2008) discovered that the capital expenditure had no significant impact on economic growth, while the recurrent expenditure and openness had positive significant impact on economic growth.

In addition, Abayomi (2013) revealed that physical development tools and physical planning strategies were flawed and in some cases applied as product rather than a process. The author discovered that physical planning tools are not adequately enforced; no clear development control action; no quality data base; planning, implementation and control of physical planning project are not properly integrated and clearly defined to achieve sustainable development; flawed physical planning structures as well as physical planning structures. The paper found that there are no clear planning strategies, citizen participation and lack of adequate integration of tools and professionals involved in Economic Recovery and Growth Plan (ERGP) for sustainable development. Lending support to the work of Adeponle (2013) showed that the city is growing faster at the rate of 13% than the provisions of its Economic Recovery and Growth Plan (ERGP) even though the city has suffered over the years from unnecessary distortions in the implementation of its Economic Recovery and Growth Plan (ERGP). A related research by Wapwera & Egbu (2013) showed that the Economic Recovery and Growth Plan (ERGP) system used in Jos metropolis is not up-to-date owing to its characteristics, which makes it irrelevant to current trends and ineffective for Jos metropolis to stimulate the required growth and development.

In the light of the above, Basiago (1999) established that the urban planning practices in developing countries cannot be directly translated to cities in the developed countries. Similarly, Gaby and Theodore (2017) discovered a positive relationship between Economic Recovery and Growth Plan (ERGP) and regional development. Implying that Economic Recovery and Growth Plan (ERGP) immensely contributed to the economic development of the regions. Ibietan and Ekhosuehi (2013) established that the bad state of physical and social infrastructure, unemployment, acute poverty and insecurity, which various successive development plans were targeted at but fail to be eradicated to the reasonable point due to implementation failure. A related line of research by Uche (2019) exposed that all the various planning initiatives Nigeria had adopted had not delivered the much expected results rather the country is still battling with mounting developmental challenges; acute poverty, squalor, hunger, illiteracy, unemployment, diseases, decaying infrastructures, excessive debt burden, among other developmental challenges. The study identified factors that inhibit Nigeria's development; such as policy inconsistency, corruption, lack of faithful commitment towards plans' implementation, and over-reliance on external doctrines.

In addition, Ukah (1999) revealed that, over the years, the significant progress attained in the 1970s had been overturned sharply with growing incidence of poverty and malnutrition, decline in educational standards and income distribution. The study established that planning has not been the problem but that of translating the plans into realities. Also, Olagunju (2018) established that the strategic development plan has done little to reduce economic, social and political inequality in Nigeria. In the light of the above studies, Ajibola and Sanmi (2015) found that the available demographic trends have evidently showed that the rural population increases as the population of the country increases over a given period of time. It also found that the poverty profile across the six geo-political zones of Nigeria indicated that the North-West zone has the highest poverty population while the South-West has the least. It further found that the majority of the rural housings were built with mud block, a significant number of the housing was not provided with toilet facilities and access to safe drinking water.

Joseph (2014) established that the various Economic Recovery and Growth Plan (ERGP) adopted had been just a change in the nomenclature and the formulations but the process of implementation is the same. Ejumudo (2013) identified certain factors that affect development planning in Nigeria; such as misplacement of priorities, poor plan discipline, and lack of ineffective executive capacity and public sector inefficiency, technology transfer syndrome, system corruption and inefficacious private – public partnership (PPP). Moreover, Omolade & Tony (2018) disclosed that Economic Recovery and Growth Plan (ERGP) is a panacea to the profitability and sustenance of emerging firms, and that Economic Recovery and Growth Plan (ERGP) has been the success factor as well as an antidote used by the emerging firms to create competitiveness and improved bottom-line. Using T-Test, Chi-Square and Split-Half Techniques, Taiwo and Idunnu (2007) found that Economic Recovery and Growth Plan (ERGP) improves better organizational performance, which in the long-run has significant impact on its survival and that Economic Recovery and Growth Plan (ERGP) intensity is determined by environmental, managerial, and organizational factors.

On a similar line of research, Ibrahim (2019) juxtaposed the impact of Economic Recovery and Growth Plan (ERGP) on growth of small businesses in Nigeria. The study aimed to develop a strategic framework that will enhance the understandings of business planning and performance and its impacts on business growth mainly during the stages of small business development. The study fails to establish a significant relationship between Economic Recovery and Growth Plan (ERGP) and transitional business growth but established that the growth of small businesses reduced the unemployment rate which will equally reduce the level of poverty rate in Nigeria.

Using spearman's rank correlation technique, Olusanya, Awotungase, and Chukwuemeka (2012) analyzed the impact of effective planning on organizational productivity of Sterling bank Nigeria Plc. The study revealed that effective planning significantly relates with organizational productivity that enhance employee's performance. Thus, Nenkovic-Riznic, Ristic, Milijic, and Maksin (2016) found that joint implementation of Strategic Environmental Assessment (SEA) with Environmental Social Impact Assessment (ESIA) methodology in spatial planning assists to overcome conflicts between tourism development and protection of natural and cultural heritage, and people's quality of life and that the combined application of SEA and ESIA approaches contributes to better understanding of the specific problems associated with sustainable territorial development, and equally provides support to the planning options, and solutions aimed at addressing these problems, in a more ecologically and socially justifiable manner.

In line with the above studies, Kooros and Badeaux (2007) affirmed that Markov-Chain model is applicable to short-term market forecasting and business decisions on the firm's potential market share, given a consumer transition from one firm to another; while Leontief's model is applicable to the short term inter-industry and interdependence planning of production functions; and Kooros' model encapsulates the aforementioned two models by providing an optimum resource allocation planning model and the decision criteria. Also, Kolawole and Ojapinwa (2013) analysed the input-output and linear programming models and asserted a preference for the linear programming (i.e. optimizing) model due to the heterogeneous development pattern in Nigeria. Using Chi-Square, Muogbo (2013) disclosed that strategic management is not common among the manufacturing firms; implying that the adoption of strategic management has significant impact on competitiveness, employee's performance, organizational productivity, and structural development of manufacturing firms in Anambra State. More so, Osho and Onoja (2015) established that the status of current national cyber-security, partnership with internet service providers, establishment of digital identity frameworks, and the development of a military-cyber defense capability were seen to be completely absent.

3. RESEARCH METHODOLOGY

Type and Sources of Data

The study employs monthly secondary data to assess the influence of economic recovery and growth plan (ERGP) in determining the effect of trade openness on economic development in Nigeria. The data cover the period of 2013 – 2020, were obtained from World Bank, United Nations Development Report, and National Bureau of Statistics, various Economic Recovery and Growth Plan (ERGP) of Federal Government of Nigeria and Statistical Bulletins and reports of Central Bank of Nigeria. However, the study uses purposive and availability sampling techniques to select the period which is justifiably based on availability of data as well as the period covered by the Economic Recovery and Growth Plan. Therefore, the period was justifiably selected on the basis of the inception of the current Economic Recovery and Growth Plan (ERGP), the economic recovery and growth plan (ERGP) which starts in 2017. Thus, the plan last for four years which is equivalent to forty eight month. In order to make comparison between pre and post ERGP, the study chooses forty-eight month before ERGP implementation and same period after its implementation. Although the 96 month period selected is in line with the requirement of the Central Limit Theorem that sample size must not be less than thirty years for normality purpose (Gujirati, 2007). Economic Recovery and Growth Plan (ERGP) (SMP) is used as a dummy variable of which one is assigned to 48 months after implementation of the economic recovery and growth plan (ERGP), from 2017 to 2020; while zero is assigned to 48 months before its implementation.

Model Specification

Following the work of Pesaran *et al.*(2001), the ARDL model is given as:

$$\Delta EDEV_t = \beta_0 + \sum_{i-1}^{m} \beta_1 EDEV_{t-1} + \sum_{i-1}^{m} \beta_2 SMPL_{t-1} + \sum_{i-1}^{m} \beta_3 OPEN_{t-1} + \sum_{i-1}^{m} \beta_4 INFL_{t-1} + \alpha_1 EDEV_{t-1} + \alpha_2 SMPL_{t-1} + \alpha_3 OPEN_{t-1} + \alpha_4 INFL_{t-1} + \mu_t \ldots\ldots\ldots\

EDEV = Economic Development
SMPL = Economic Recovery and Growth Plan (ERGP)
OPEN = Trade Openness
IFL = Consumer Price Index
$_{t-1}$ = Lag Value

Although, the ARDL model consist of two parts, the first part of the equations with β_1 to $\beta_4$stand for the short-run dynamics of the models, while the coefficients α_1 to α_{10} represents the long-run relationship. The null hypothesis of the above model is defined as H_0: $\alpha_1 = \alpha_2 = \alpha_3 = \alpha_4 = 0$which tell us that there is no evidence of long run relationship (Pesaran et al. 2001). More so, Auto Regressive Distributive Lag (ARDL) model is otherwise known as bounds testing approach to co-integration, developed by Pesaran, Shin & Smith (2001) to analyze and estimate long-run relationship between the variables. Accordingly, the Error Correction Model of the ARDL approach is specified as:

$$\Delta EDEV_t = \beta_0 + \sum_{i-1}^{m} \beta_1 EDEV_{t-1} + \sum_{i-1}^{m} \beta_2 SMPL_{t-1} + \sum_{i-1}^{m} \beta_3 OPEN_{t-1} + \sum_{i-1}^{m} \beta_4 INFL_{t-1} + \beta_5 ECM_{t-1} + \mu_t \quad \text{.....ii}$$

Where ECM is the error correction representation of equation (1), however, before estimating equation (1), the study will conduct a unit root test through the use of Augmented Dickey-Fuller, (1) appropriate for the cointegration regression using ARDL model and Error Correction Model (ECM).

Table 4.2: Unit Root test (ADF and PP)

	Augmented Dickey-Fuller test		Phillips-Perron Test	
Variables	Level	First Diff.	Level	First Diff.
Economic Development	-1.976503	-7.212743a	-1.890503	-7.012443a
Trade Openness	-0.948162	-4.944379a	-2.948162b	-4.894379a
Economic Recovery and Growth Plan (ERGP)	-0.865306	-4.981762a	-0.834256	-4.891762a
Consumer Price Index	-0.825779	-3.44320a	-0.832779	-4.88320a

Note: a, b&c indicating significant at 1%, 5% & 10% respectively.
Source: Authors'' computation using Eviews Version 9.

Dickey-Fuller Generalized Least Square, Phillips-Perron and KPSS unit root tests.

4. DATA PRESENTATION AND ANALYSIS

The Pre-Estimation: Unit Root Test

This subsection presents the results of the unit root tests and their interpretations. Thus, two units root tests, Augmented Dickey-Fuller (ADF) and Phillips-Perron Tests were conducted to ascertain the stationarity of the variables under investigation. However, for the sake of precision, the results of unit root tests were limited to capture only the values of test statistic that are statistically significant. The results in table 4.2 indicated that the variables under study are stationary at first differenced using both ADF and Phillips-Perron test statistic, with the exception of the ratio of export-import to Gross Domestic Product (Trade Openness) which is stationary at level value using Phillips-Perron Test statistic. This therefore suggested that they will be

Autoregressive Distributed Lag (ARDL) Bound Test Approach

However, after ascertaining the unit root properties of the variables under investigation, there is need to know the value of F-statistic in order to determine the presence or existence of cointegration or otherwise among the variables under estimation. This has been econometrically carried out using ARDL bounds testing approach and consequently the results disclose the evidence of cointegration among the variables. From Table 4.3, the value of F-statistic is 11.3688 which indicates that the null hypothesis of no cointegration can be rejected at 1% level of significance. This is because the value of F-statistics is greater than the upper bound critical value of 5.00 and 4.13 for lower critical bound value. This implies that there is presence of cointegration among the variables under investigation. Therefore, there is need to know the long-run coefficients of the ARDL model.

Table 4.3: ARDL Bounds Test for Cointegration

F-statistics value = 11.4		
Critical Value of Bounds		
Significance	I(0) Bound	I(1) Bound
10%	2.2	3.1
5%	2.6	3.5
1%	3.3	4.4

Source: *Authors' Computation Using Eviews Version 9.0*

The study is generally aimed to empirically examine the influence of Economic Recovery and Growth Plan (ERGP) and trade openness on economic development in Nigeria from January, 2013 to December, 2019. To achieve the aforementioned objectives, the study applied Autoregressive Distributed Lag (ARDL) Model to estimate both the long-run and the short-run relationships among the variables under investigation. Therefore, the results is depicted in Table 4.4. On the whole, the results obtained from the estimation of equation 3.1 and thus presented in Table 4.4 are consistent with economic theory and a priori expectations of the study. It revealed that Economic Recovery and Growth Plan (ERGP) yield a positive coefficient (0.14) and statistically significant at 10 percent level; implying that implementation of Economic Recovery and Growth Plan (ERGP) has significant impact on economic development over the period of the study. Thus, implementation of Economic Recovery and Growth Plan (ERGP) contributes 0.23 increase in economic development. It means that, by implication, implementation of Economic Recovery and Growth Plan (ERGP) is an important factor that promotes economic development in Nigeria. This is in line with the findings of Muhammad and Hassan (2024), Olagunju (2018), Omolade & Tony (2018), Ibrahim (2019), and Gaby and Theodore (2017). However, this result contradicts the findings of Wapwera & Egbu (2013) who reported that Economic Recovery and Growth Plan (ERGP) have no significant impact on economic development. As postulated by the theory underpinning this research work, Economic Recovery and Growth Plan (ERGP) theoretically stimulate economic growth and development. The result obtained from this study revealed that Economic Recovery and Growth Plan (ERGP) positively influence economic development. Thus, the finding is in harmony with the postulations of the theory guiding the study.

Table 4.4: Result of the Estimated ARDL Model				
Dependent Variable: Economic Development				
Estimated Long-Run Coefficients			Estimated Short-Run Coefficients	
Independent Variables	Coefficients	Std. Error	Coefficients	Std. Error
Economic Recovery and Growth Plan (ERGP)	0.135	0.08b	0.135	0.075b
Trade Openness	0.111	0.003a	0.111	0.0027a
Consumer Price Index	-2.81	0.22a	-2.809	0.2065a
R2	0.998	ECM(-1)		-0.046a
Adj. R2	0.997	Heteroskedasticity Test: Breusch-Pagan-Godfrey		Breusch-Godfrey Serial Correlation LM Test
Durbin-Watson Statistic	2.069	F-statistic	0.45	F-statistic 0.141
F-statistic: 3867.279	Prob. (F-stat.): 0.000	Prob. Chi-Square	0.89	Prob. Chi-Squar 0.85
		Prob. F(9,85)		Prob. F(2,83)

Source: Authors' Computation Using Eviews Version 9.0

Furthermore, our result also revealed that trade openness proxied for the ratio of export-import to Gross Domestic Product has positive and statistically significant impact on economic development at one per cent level of significance which is in line with a priori expectation. The result showed that a one percentage increase in trade openness (the ratio of export-import to Gross Domestic Product) will lead to 0.111 per cent increase in economic development and vice versa. This result is in agreement with the postulations of the theory underpinning the study. This finding is consistent with the findings of Muhammad and Hassan (2024), Bello and Akinbobola (2019), and Mallick (2008), among others. The finding concurs with those of Alimi (2018) who found that trade openness has negative impact on economic development. However, this finding is in agreement with the theory guiding this research work. On the relationship between inflation measured with consumer price index and economic development, the findings of the study showed that consumer price index is negatively related to economic development at one per cent level of significance. This finding is in conformity with the postulations of the theory underpinning the study that consumer price index is negatively related to economic development. Thus this finding is inconsistent with the findings of Alimi (2018) who reported that inflation has no significant impact on economic development. Nevertheless, the finding is in line with the postulations of the theoretical underpinnings of the study. This finding therefore confirms that consumer price index dampens economic development.

Post Estimation Tests

This subsection presents the results of diagnostic tests of the heteroscedasticity test, serial correlation test as well as normality test. Moreover, the result of diagnostic test was depicted in Table 4.4, in order to perform robustness check of the estimated results. This study applied Breusch-Pagan-Godfrey Test of Heteroskedasticity, Breusch-Godfrey Serial Correlation LM Test and Normality Test.This subsection presents the results of Heteroskedasticity Test using Breusch-Pagan-Godfrey Test of 1979. The results in Table 4.4 revealed that the Breusch-Pagan-Godfrey Test displayed that the corresponding probability values of 0.90 and 0.89 for the F-statistics as well as the observed R-Squared, respectively are not significant. Therefore, the null hypothesis that says there is no heteroskedasticity in the residuals generated from the ARDL model, thus it is not rejected going by the probability values that are insignificant at all levels. This implies that the estimated results are valid because it is not victimized by heteroskedasticity problem throughout the series. We therefore concluded that the residuals are homoskedastic and have a constant variance.

The results of the serial correlation test using Breusch-Godfrey Serial Correlation Lagrange Multiplier Test was applied and presented in Table 4.4 to ascertain the presence of autocorrelation or otherwise. The results in Table 4.4 revealed that there is no serial correlation in the residuals of the parameters going by the fact that all the probability values are statistically insignificant because they are above 10 percent level of significance. Moreover, the value of F-Statistic is 0.14 and Observed R^2 is 0.32 with corresponding probability values of 0.87 and 0.85, respectively. Thus, we reject alternative hypothesis in favour of null hypothesis that says there is

no autocorrelation between the residuals of the parameters. Therefore, the residuals of the parameters are free from autocorrelation quagmire.

5. CONCLUSION AND RECOMMENDATIONS

On the basis of the major findings of this study as presented above, the following conclusions are drawn: Economic Recovery and Growth Plan (ERGP) and trade openness (the ratio of export-import to Gross Domestic Product) promote economic development both in the long-run and in the short-run. While, Inflation (Consumer Price Index) hurts economic development both in the short-run as well as in the long-run. Given the conclusions drawn from the major findings of this study presented above, some recommendations are presented below to help improve the level of economic development of Nigerian economy. However, the recommendations are in line with the findings as outlined above. They are as follows:

From the conclusions of the study that Economic Recovery and Growth Plan (ERGP) proxied with Economic Recovery and Growth Plan promote economic development, it is therefore, recommended that the implementation of Economic Recovery and Growth Plan promote the rate of economic performance in Nigeria most especially towards the realization of its objectives as enshrined in the blueprints:

i. Government should intensify efforts towards attracting foreign direct investment with a view to compete with other countries in the foreign market.

ii. Appropriate rewards should be provided for incorruptible personnel to promote good practices in Economic Recovery and Growth Plan (ERGP)' execution.

iii. Appropriate sanctions should be applied for deviant practices in implementing Economic Recovery and Growth Plan to deter others from engaging into such practices,

It was clearly mentioned in our conclusions that trade openness measured as the ratio of export-import to Gross Domestic Product positively influences economic development, we therefore recommend that government should implement Export Import Strategies to encourage the domestic companies in competing with the foreign companies so that the shareholders' confidence on the capital market would be revived. This will raise the level of production of goods and services to the next level. This should be implemented as follows:

i. Government should reduce or remove export duty and company income tax to encourage the domestic companies to produce more goods and services and export same to the rest of the world.

ii. Government should diversify other sectors of the economy such as agricultural, mining (most especially gold, silver and iron-ore mining) and industrial sectors to balance the trade with the rest of the world.

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