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ECONOMIC GLOBALIZATION AND POVERTY REDUCTION IN NORTH CENTRAL NIGERIA

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Abstract

The study examined economic globalization and poverty reduction in North Central Nigeria. Primary data from a sample of 372 respondents was used for the study. A structured questionnaire was used as instrument for data collection. Inferential was used to estimate the model of the study. The probability value of the estimates were used to test the hypotheses of the study. Findings from the study indicates that International trade in services (INTS) has a positive effect on poverty reduction in North Central Nigeria and the effect is not statistically significant ($p>0.05$) but in line with a priori expectation. This implies that a unit increase in international trade in services (INTS) will result to a corresponding increase in the poverty reduction in North Central Nigeria by a margin of 0.8%. Result of the specific objectives of the study indicates that International trade in goods (INTG) has a positive effect on poverty reduction in North Central Nigeria and the effect is statistically significant ($p<0.05$) and in line with a priori expectation. This implies that when international trade in goods (INTG) is increased by a unit, it will result to a corresponding increase in poverty reduction in North Central Nigeria by a margin of 63.8%. Findings for objective three shows that global value chains (GVLC) has a negative effect on poverty reduction in North Central Nigeria and the effect is not statistically significant ($p>0.05$) and not in line with a priori expectation. This implies that a unit increase in Global value chains (GVLC) will result to a corresponding decrease in the poverty reduction in North Central Nigeria by a margin of 13.2%. It was concluded that international trade in goods has a positive and significant effect on poverty reduction in North Central Nigeria. it was recommended among others that since the international trade in goods was shown to have a positive and significant effect on poverty reduction in the study area, the governments of these State must ensure that they leverage on the opportunities provided by globalization to help reduce the poverty in their region by engaging trading in foreign goods which they do not have comparative advantage in producing.

Keywords: *Globalization, Poverty Reduction, International Trade, North-Central, Nigeria.*

I INTRODUCTION

Globalization describes the process of creating networks of connections among actors at intra- or multi-continental distances, mediated through a variety of flows including people, information and ideas, capital, and goods. Globalization is a process that erodes national boundaries, integrates national economies, cultures, technologies and governance, and produces complex relations of mutual interdependence. How globalization influences our daily lives is still a controversial issue. In fact, globalization was proceeding rapidly for a long time and it was hard to believe that globalization would be pushed back. The status of many underdeveloped countries or societies and their population are easily best described with poverty (Sachs 2015). The contest to what could be the accepted definition of poverty in development discourse is as diverse as development itself.

There is a nexus between globalization and poverty reduction which has been a topical issues by many researchers. Over the past decades, the economies of the nations of the world have become increasingly linked, through expanded international trade in services as well as primary and manufactured goods (Samini and Jenatabadi, 2014). It has also expanded through portfolio investments such as international loans, foreign aid, purchase of stock and increased foreign direct investment (FDI) especially through multinational corporations, who basically invest in hi-tech industries like telecommunications; oil and gas; capital intensive manufacturing industries; and banking industry in developing countries. These linkages which are regarded by some economists as globalization have had a marked effect on the developing world (Todaro and Smith 2003). Globalisation carries benefits and opportunities as well as cost and risks.

We follow Dreher (2006), who, based on Nye and Keohane (2019), distinguishes between three different dimensions of globalization. Economic globalization characterizes long distance flows of goods, capital and services as well as information and perceptions that accompany market exchanges. Social globalization expresses the spread of ideas, information, images and people. Political globalization characterizes the diffusion of government policies. This study is based on economic globalization as increased economic globalization leads to global cooperation in trade, manufacturing, while cross-border flows of goods and services, capital, people, data and ideas are the main crux of economic globalization. .

Statement of the Problem

Poverty constitutes one of the social problems to the society. It is a state of deprivation in absolute term as it reflects the ability of an individual to satisfy certain needs of life. It is chronic and pervasive to the extent that it has affected human conditions and the economy negatively. At the global level, the rate of poverty in Nigeria is put as high as 70% on Higher Development Index and ranked second position in Africa (NBS 2018). According to the recent United Nation ranking, Nigeria has overtaken India in poverty ranking and hence known as the poverty capital of the world. The multidimensional poverty rate of the North Central geopolitical zone of Nigeria according to the National Bureau of Statistics (NBS, 2022) is above 50%

Thus, globalization and poverty are two of the main issues in today's global economic and political agenda. The argument on globalization has evoked more heat than light and this is justifiably so because it forms part of the economic experience of the various countries depending on their geographical location, class interests and their reactions to the process of globalization. Developing countries in Africa, Asia and Latin America have been victims rather than beneficiaries of the globalization process especially as poverty and inequality increased in the last twenty globalization years. For some in developed countries like United States of America (USA), Japan and United Kingdom it suggests exciting business opportunities, more rapid growth of knowledge and innovations, global economic policy making and the promotion of global culture. While for many in developing country like Nigeria, globalization connotes increased income inequality, environmental degradation, dominant and dependence on rich developed countries, sharpen dualism, unrealistic trade policies and above all a widespread margin between the poor and the rich which eventually lead to global poverty. Although, a number of studies have been carried out on the impact of globalization on poverty within countries, this paper intends to fill the vacuum by carrying out a regional study on the linkage between globalization and poverty in North Central Nigeria and draw some policy conclusions.

Objectives of the Study

The main objective of the study is to examine the effect of economic globalization on poverty reduction in North Central Nigeria. The specific objectives of the study are to:

i. Examine the effect of international trade in services on poverty reduction in North Central Nigeria.
ii. Assess the effect of international trade in goods on poverty reduction in North Central Nigeria.
iii. Determine the effect of global value chains on poverty reduction in North Central Nigeria.

Hypotheses of the Study

The study is guided by the following:

H_{01}: International trade in services has no significant effect on poverty reduction in North Central Nigeria.
H_{02}: International trade in goods has no significant effect on poverty reduction in North Central Nigeria.
H_{03}: Global value chains has no significant effect on poverty reduction in North Central Nigeria.

II LITERATURE REVIEW

Conceptual Framework

Concept of Economic Globalization

Economic globalization refers to the widespread international movement of goods, capital, services, technology and information. According to researchers, it is the increasing economic integration and interdependence of national, regional, and local economies across the world through an intensification of cross-border movement of goods, services, technologies and capital (Funke, Bohmer, Sachs, Weinelt, Weib, 2016). Economic globalization primarily comprises the globalization of production, finance, markets, technology, organizational regimes, institutions, corporations, and people. While economic globalization has been expanding since the emergence of trans-national trade, it has grown at an increased rate due to improvements in the efficiency of long-distance transportation, advances in telecommunication, the importance of information rather than physical capital in the modern economy, and by developments in science and technology. The rate of globalization has also increased under the framework of the General Agreement on Tariffs and Trade and the World Trade Organization, in which countries gradually cut down trade barriers and opened up their current accounts and capital accounts. This recent boom has been largely supported by developed economies integrating with developing countries through foreign direct investment, lowering costs of doing business, the reduction of trade barriers, and in many cases cross-border migration (Kai and Hamori, 2009). Indicators of economic globalization as examined in this study are international trade in services, international trade in goods and global value chains. These indicators are considered more important drivers of economic globalization. The economic aspects of globalization usually receive the most attention; as it portrays the image of a borderless world trade through revolutions of various forms of Information and Communication Technology (ICT) such as internet, telephone and mobile satellite facilities.

Poverty Reduction

Poverty is a complex and multidimensional problem which results from a combination of economic, political and environmental factors, and it comprises several different aspects. Ijaiya and Umar (2004) defined poverty as disempowerment viewed from three dimensions: socioeconomic, political and psychological. Socio-economic disempowerment refers to poor people's relatively lack of access to the resources essential for the self production of their livelihood; political disempowerment refers to poor people's lack of a clear political agenda and voice; and psychological disempowerment refers to poor people's internalized sense of worthlessness and passive submission to authority.

Nigeria's gory poverty indices underpin the need for government and all stakeholders to vigorously but effectively tackle the challenge of poverty, if not for the sake of the present, then for those of posterity. A sound anti-poverty strategy therefore in the views of Nnoyelu (2005) will not ordinarily work towards increasing the people's income but, would address other issues as well, that constitute poverty. He further contends, poverty eradication, embraces the efforts of government at all levels; Non-governmental organizations, individuals and corporate bodies in the bid to consign poverty at least in its alarming dimensions to history. It may therefore be safe to conceptualize poverty eradication as the bulk of policies and strategies pursued by government, in active partnership with civil society, the organized private sector and other stakeholders towards the systematic tackling of poverty.

Theoretical framework

Dependency theory

Dependency theory is a perspective associated with Paul Prebisch and Hans Singer. This theory aims to investigate why underdevelopment persists in some countries. While most scholars would argue that underdevelopment is as a result of countries pursuing bad economic policies, or the presence of authoritarian regimes and corrupt leaders, Dependency theorist argues that the way in which periphery countries integrates into the global economy and the inequality in international system has hampered on the growth of underdeveloped nations. Dependency theory perspective on development is very different from the way modernization theory, and neoliberalism explains the problem of development as both theories focus particularly on the internal problems that fuel underdevelopment. Dependency theory, in contrast, focuses primarily on the external causes of underdevelopment. The theory main argument is that developed countries who represent the core of the global capitalist system have systematically impoverished underdeveloped and developing countries that account for the periphery of the global economy (Chase-dunn, 1975). The dependency theory holds that this systematic exploitative process dates back to centuries and is still prevalent in today. Most of the argument of dependency theory is heavily extracted from the Marxist theory of development. The Marxist theory argues that within a capitalist economy, there are small groups of capitalist class whose profit is efficiently streamlined from the exploitation of a much bigger group — the working class. This explains why there is a similar pattern in the relationships between countries in contemporary international relations. There are smalls groups of core nations which are urban and highly industrialized who exploit a much sizeable group of periphery countries where most people there work in the primary sector of the economy.

Empirical review

Savina, Florian, Niklas & Jan-Egbert (2019), carried out a revision of the KOF Globalisation Index, a composite index measuring globalization for every country in the world along the economic, social and political dimension. The original index was introduced by Dreher (2006) and updated in Dreher *et al.* (2008). This second revision of the index distinguishes between de facto and de jure measures along the different dimensions of globalization. We also disentangle trade and financial globalization within the economic dimension of globalization and use time-varying weighting of the variables. The new index is based on 43 instead of 23 variables in the previous version. Following Dreher (2006), the new index was used to examine the effect of globalization on economic growth. The results suggest that de facto and de jure globalization influence economic growth differently.

Kafilah (2009) studied globalization and poverty: comparative analysis of Bangladesh and Nigeria. The trend of poverty and the structures of their economies were compared from 1985 to 2006 using descriptive statistics survey to analyse the facts. Globalisation and Poverty are two key contemporary issues in economic development with the former assumed to be causing the latter in developing countries. Developing countries are characterised by international economic stagnation and generalized poverty within which they are caught, the current form of globalization is actually tightening rather than loosening the international poverty trap. This paper addresses the linkage of globalization and poverty in two developing countries of Bangladesh and Nigeria. The paper concludes that the pace of poverty alleviation requires policies that further integrate developing countries into the global economy that will enable the poor to take advantage of the new opportunities offered by globalization.

Osmani (2014), DiazBonnilla and Robinson (2013) all indicated that globalization is increasing the integration of a national economy with the world economy through exchange of goods and services, capital flows, technology, information, and labour migration. The economic aspects of globalization usually receive the most attention; as it portrays the image of a borderless world trade through revolutions of various forms of Information and Communication Technology (ICT) such as internet, telephone and mobile satellite facilities. Todaro and Smith (2003) gave globalization core economic benefit as the increased openness of economies to international trade, financial flows and foreign direct investment (FDI), rapid growth of knowledge and innovation which seems more visible in the developed countries.

Onoitem (2017) examined Globalization: its impact on Nigeria's economy and implication on national development. The wave of globalization accompanied by its neo-liberal economic policy has effectuated economic growth and national development in developed countries. However, the application of these policies in developing countries such as Nigeria led to an increased level of socio-economic disparity and a stagnated process of national development. This researcher argued that Nigerian institutions are too weak to handle the process of globalization. Also, the policies set aside to regulate the economy are not strong enough to deal with the demands and standards of globalization. This study analyses the negative impact of globalization and its implication on Nigeria’s national development some of which includes unemployment, brain drain syndrome, crippled taxation system and the prescribed policies by international financial institutions. Also, some of the internal challenges mitigating against globalization were discussed and some feasible solutions were proffered to curb these problems.

Garba (2013) evaluated poverty reduction in Northern Ghana: Contribution of the Northern Rural Growth Programme in Nadowli and Wa West Districts in Upper West Region. This study seeks to find out the contribution of an on-going government initiative (NRGP) to improved living conditions of farmers in the Upper West Region of Ghana. Services provided under the NRGP are in the agricultural food crop sector and include new and improved methods of farming (extension services), fertilizer, tractor service, seeds and marketing. Using both primary and secondary data, it is observed that individuals who are participating in the NRGP are experiencing some positive changes in their lives in the areas of income generation and consumption in context of delivery of NRGP services and other technical challenges in accessing inputs. There is also a positive correlation between improved maize harvests and increasing availability of mechanized inputs. Despite improved incomes, an appreciable proportion of respondents still earn barely above the national minimum wage. Re-design of the NRGP to consider some peculiar characteristics of poor people in order for them to participate and derive maximum benefits from the NRGP is recommended for programmatic success.

III RESEARCH METHODOLOGY

Research Design

The study adopted survey design which follows quantitative methodology. Survey method provides a fast, cheap, efficient and accurate assessment and information about a given population. Therefore, a survey method-using questionnaire as the instrument for data collection is found to be more appropriate for this study. This is because the study involves collection of data from Medium sized firms in order to determine the effect of globalization on poverty reduction in North Central, Nigeria.

Population, Sample and Sampling Techniques

i) Population of the Study

The target population of the study is Nine thousand, five hundred and eighty six (9,586) Medium sized firms operating in the North Central States and FCT. The population comprised; Benue (1,168), Federal Capital Territory FCT (2,690), Kwara (226), Kogi (844), Nasarawa (1,120), Niger (1,358) and Plateau (2,180) (NBS, 2022). However, four States was used for the study namely, Benue, Nasarawa, Kogi and Plateau with a total population of 5312 firms.

ii) Sample and Sampling Techniques

Using Taro Yamane formula of

$n = N/1 + N^*(e)^2$

Where:
n = the sample size,
1 = constant
N = the population size, and
e = tolerable error

Applying the formula to the data, the sample size for the study equals 372 firms in the study area.
Bowley's formula is used to allocate sample to various strata for proportion. It applies where the study area is sub-divided into other sub-units.
The Bowley's formula is:

$$nh = \frac{nNh}{N}$$

Where;
nh = the number of units allocated to each strata.
Nh = the number of participants in each firm
n = the total sample size,
N = the population size
Applying this formula, we have;

Benue State
Nh = 1168*372/5312 = 82

Nasarawa State
Nh = 1120*372/5312 = 78

Kogi State
Nh = 844*372/5312 = 59

Plateau State
Nh = 2180*372/5312 = 153
82 + 78 + 59 + 153 = 372

iii. Sampling Technique
Purposive sampling technique was used to select four States out of the seven States of the North Central region of the country while simple random sampling was used to sample 82, 78, 59 and 153 firms across the four States chosen for the study.

Methods/instrument of Data Collection
In this study, data was collected from primary sources. The primary data was collected using the questionnaire method as the fundamental instrument to obtain the required data. Primary data collection entails field work that gathered first-hand information for the study obtained by the use of questionnaire. Close ended structured questionnaire, 384 copies of the questionnaire was administered to the target respondents. Four (4) point Likert scale of SA = Strongly Agree, A = Agree, D = Disagree and SD = Strongly Disagree were adopted for the study.

Validation and Reliability of Instrument
In this study, the two (2) most common types of validity, which are content and construct validity, were considered. While content validity was carried out through the expert contributions from my supervisors and experts in the field of research methodology, construct validity was tested with the use of Factor Analytical tool that considered Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity (BTS).

Table 1: Kaiser-Meyer-Olkin and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.948
Bartlett's Test of Sphericity	Approx. Chi-Square	10.159
	df	6
	Sig.	.012

Source: *Researchers computation using SPSS 23.0*

The result of sampling adequacy as indicated by the KMO (Kaiser- Meyer-Olkin) measure for the study's variable items is 0.948 with Bartlett's Test of Sphericity (BTS) value to be at 3 degrees of freedom at the level of significance of $p =$

0.012. The KMO result in this analysis surpasses the threshold value of 0.50 as recommended by Hair, Anderson, Tathan, and Black (1995). Therefore, we are confident that our sample and data are adequate for this study.

Table 2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.635	40.870	40.870	1.635	40.870	40.870	1.627	40.684	40.684
2	1.260	31.495	72.365	1.260	31.495	72.365	1.267	31.681	72.365
3	.753	18.814	91.179						
4	.353	8.821	100.000						

Extraction Method: Principal Component Analysis.
Source: *Researchers computation using SPSS* 26.0

The Total Variance Explained table shows how the variance is divided among the 4 possible factors. Two factors have eigenvalues (a measure of explained variance) greater than 1.0, which is a common criterion for a factor to be useful. When the Eigenvalue is less than 1.0 the factor explains less information than a single item would have explained. Table 2 shows that the Eigenvalues are 1.635 and 1.260 are greater than 1. Component one gave a variance of 40.684 and component two produced a variance of 31.681. From the rotated sum of squared loadings section, component 1 and 2 accounts for a total of 72.365 % of the variance of the whole variables of the study. This shows that the variables have strong construct validity.

Table 3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.845	.970	4

Source: *Author's Computation using SPSS 26.0*

Table 3 shows the reliability statistics the overall reliability for the instrument. The Cronbach Alpha Coefficient is 0,845. Reliability Cronbach Alpha statistics of 0.70 is considered adequate and reliable for social science study. Hence, the instrument for data collection of this study falls above the limit of a reliable instrument for social science research.

Model Specification

Given the functional relationship between the variables of the study, the implicit and the explicit modeling for this study are as shown below:

POVR $= f$ (INTS, INTG, GVLC) - - - - - (1)

Where,
INTS = International trade in services
INTG = International trade in goods
GVLC = Global value chains

Therefore, the developed explicit from model and its specification is outlined below:

POVR = $b_0 + b_1INTS + b_2INTG + b_3GVLC + U_t$ - - - - - (2)
Where b_0 = Constant or Intercept
b_1, b_2, b_3 = Regression Coefficients
U_t = Error terms
A priori expectation is given by
$b_1 > 0$, b_2 $b_3 > 0$

Methods of Data Analysis

The data for the study was analyzed using inferential statistics to establish the effect of the independent variable on the dependent variable of the study. The hypotheses of the study was tested using the probability value of the regression estimates. The collected data was coded and analyzed using Computer-Based Statistical Package for Social Sciences (SPSS) version 26.0 for Microsoft Window.

4.0 RESULTS AND DISCUSSIONS

In this section, the results of the study as analyzed from the field work is presented here. It starts with the presentation of the regression standardized residual as shown in the histogram and the results of the regression analysis.

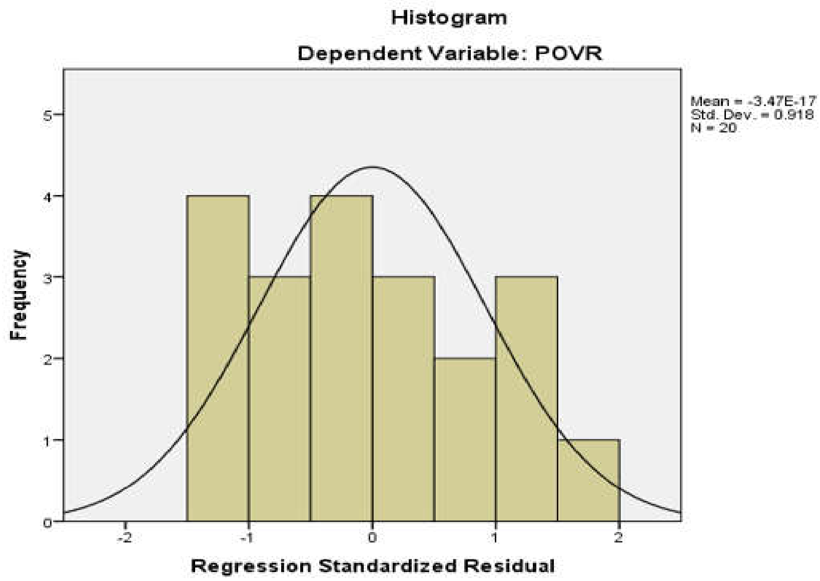

Figure 1: *Regression Standardized Residual*
Source: *Author's Computation using SPSS 23.0*

Figure 1 overleaf shows a histogram of the residuals with a normal curve superimposed. The residuals look close to normal, implying a normal distribution of data. Here is a plot of the residuals versus predicted dependent variable of Poverty Reduction in North Central Nigeria. The pattern shown above indicates no problems with the assumption that the residuals are normally distributed at each level of the dependent variable and constant in variance across levels of the dependent variable of POVR.

Table 4: Statistical Significance of the model
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	672.173	3	224.058	3.693	.034[b]
	Residual	970.627	16	60.664		
	Total	1642.800	19			

a. Dependent Variable: POVR
b. Predictors: (Constant), GVLC, INTG, INTS
Source: *Author's Computation using SPSS 26.0*

The F-ratio in the ANOVA table above tests whether the overall regression model is a good fit for the data. The table shows that the independent variable of WPB statistically significantly predicts the dependent variable of POVR F (3, 16) = 3.690, p =.034[b] (i.e., the regression model is a good fit of the data).

Table 5: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640[a]	.409	.298	7.78872

a. Predictors: (Constant), GVLC, INTG, INTS
b. Dependent Variable: POVR
Source: *Author's Computation using SPSS 26.0*

The coefficient of determination R^2 for the study is 0.409. This indicates that 40.9% of the variations in the model can be explained by the explanatory variable of the model while 59.10% of the variation can be attributed to unexplained variation captured by the error term.

Table 6: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.480	12.736		.509	.618		
	INTS	.010	.260	.008	.038	.970	.933	1.071
	INTG	.814	.247	.638	3.302	.004	.989	1.011
	GVLC	-.196	.296	-.132	-.663	.517	.930	1.075

a. Dependent Variable: POVR
Source: *Author's Computation using SPSS 26.0*

As shown from the result of the first specific objectives of the study in Table 6, international trade in services (INTS) has a positive effect on poverty reduction in North Central Nigeria and the effect is not statistically significant (*$p>0.05$) but* in line with *a priori* expectation. This implies that a unit increase in international trade in services (INTS) will result to a corresponding increase in the poverty reduction in North Central Nigeria by a margin of 0.8%. The result of the hypothesis one using the probability value of the estimate shows that we accept the null hypothesis, that is we accept that at 5% level of significance, international trade in services has no significant effect on poverty reduction in North Central Nigeria. This finding is in line with that of Gold (2009) who studied globalization and poverty: comparative analysis of Bangladesh and Nigeria and found that developing countries are characterised by international economic stagnation and generalized poverty within which they are caught, the current form of globalization is actually tightening rather than loosening the international poverty trap. This result support the findings from our study that even though there is a positive relationship between international trade in services and poverty reduction in the study area, that effect is not significant.

The result of the second specific objectives of the study indicates that international trade in goods (INTG) has a positive effect on poverty reduction in North Central Nigeria and the effect is statistically significant ($p<0.05$) and in line with *a priori* expectation. This implies that when international trade in goods (INTG) is increased by a unit, it will result to a corresponding increase in poverty reduction in North Central Nigeria by a margin of 63.8%. The result of the hypothesis two using the probability value of the estimate shows that we reject the null hypothesis, that is we accept that at 5% level of significance, international trade in services has no significant effect on poverty reduction in North Central Nigeria. This finding is in line with that of Savina, Florian, Niklas & Jan-Egbert (2019) who carried out a revision of the KOF Globalisation Index, a composite index measuring globalization for every country in the world along the economic, social and political dimension. The results suggest that de facto and de jure globalization influence economic growth differently. The relationship between this and the finding of the current study is that in presence of economic growth, poverty is reduced. Hence the finding of the study supports the nexus between economic globalization and poverty reduction.

Global value chains (GVLC) has a negative effect on poverty reduction in North Central Nigeria and the effect is not statistically significant ($p>0.05$) and not in line with *a priori* expectation. This implies that a unit increase in Global value chains (GVLC) will result to a corresponding decrease in the poverty reduction in North Central Nigeria by a margin of 13.2%. The result of the hypothesis three using the probability value of the estimate shows that we accept the null hypothesis, that is we accept that at 5% level of significance, global value chains has no significant effect on poverty reduction in North Central Nigeria. This findings is contrary to those of Osmani (2014), DiazBonnilla and Robinson (2013), who indicated that globalization is increasing the integration of a national economy with the world economy through exchange of goods and services, capital flows, technology, information, and labour migration. If global value chain is negative in the current study, it could be as a result of lack of synergy with the relevant stakeholders and low level of policy decisions in taking advantage of offered by globalization.

5.0 CONCLUSION AND RECOMMENDATION

Conclusion

The researcher examined the effect of economic globalization on poverty reduction in North Central Nigeria. The North Central Nigeria economy holds great potential judging from her extensive pool of resources ranging from human to natural resources. However, the future of her economy lies in her ability to aggressively tap the dividend of globalization. The review from empirical literature indicates that the impact of globalization on poverty hinges on the extent to which the poor participate in the income-growth process, and this is something that cannot be guaranteed. Equally, while globalization may promote a reduction in poverty through its numerous benefits, it may have an adverse effect when the institutional mechanism to protect these smaller businesses is lacking. The finding of the study indicates that international trade in services has a positive and significant effect on poverty reduction in North Central Nigeria. Global value chains has a negative and insignificant effect on poverty reduction in North Central Nigeria. It was concluded that international trade in goods has a positive and significant effect on poverty reduction in North Central Nigeria.

Recommendations

Based on the findings from the study, it is recommended that:

1. To be able to make international trade in services significant in reducing poverty in the North Central region of Nigeria, it is important that the governments of these selected pay much attention to making investment in skill set which will enhance in the creating of intangible services by the indigenes of these States which can be marketed to people in other parts of the world by taking the advantage provided by globalization.
2. Since the international trade in goods was shown to have a positive and significant effect on poverty reduction in the study area, the governments of these State must ensure that they leverage on the opportunities provided by globalization to help reduce the poverty in their region by engaging trading in foreign goods which they do not have comparative advantage in producing.
3. The negative effect of global value chain on poverty reduction in selected States in North Central Nigeria shows that the cross-border networks that bring a product or service from conception to market is not fully developed in the study area. It is therefore recommended that the governments of these regions must synergize with relevant

stakeholders to ensure that they reap the benefit of global value chain which will help to drastically reduce poverty in the selected States in North Central Nigeria.

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