

The Paradox of Economic Growth without Development in Nigeria

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Abstract: *This study on the paradox of economic growth without development seeks to investigate and determine the abnormalities associated with economic growth and development in Nigeria. Poverty in Nigeria is rising with more than 110 million people living on less than \$1 a day, despite strong growth in Nigeria's economy. In spite of its growth, the Nigerian economy has failed to generate decent jobs and poverty is widespread. The unemployment rate is about 23.9% compared to 21.4% in 2010. Poverty is very high and persistent. Social indicators in health, education and other sectors remained relatively weak even when the economy is claimed to be growing at between 6-8% (2011-2014). Corruption, fraud, high level of insecurity and treasury looting has been identified as the major systemic problems that entrenched this paradox and an albatross on the neck of the national economy. In Nigeria, economy is seen to be growing on paper but ironically and unfortunately, in reality, it is a progressive deterioration, at best, depressive stagnation of the economic indicators of better standard of living, employment, poverty level, etc. Unemployment and poverty in the country is at crisis level already. With these myriad of problems, the country's economy is in a paradox state. The study justified its analysis from archival data to examine extant literature on why the Nigerian economy is growing yet no development. Data for analysis are extracted from publications of regulatory agencies such as the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS) as well as other relevant international agencies reports. The major significance of this study is that it will draw the Nigeria's government attention to the rising misery indices in the country despite appreciable economic growth. The study therefore recommends among others; that government should operate inclusive growth economy to tackle poverty and unemployment. It is therefore concluded that positive growth has not translated into development of human component in Nigeria as evidenced by high and rising rates of unemployment and poverty of almost 70% and low Human Development Index (HDI).*

Keywords: *Development, Economic Development, Economic Growth, Poverty and Unemployment.*

I. Introduction

There is general acknowledgement that Nigeria's economic growth rates, that is, in terms of Gross Domestic Product (GDP) and Gross National Income (GNI) are increasing at an appreciable rates. This is so because the country's GDP in 2014 was put at US \$502 billion, making the country, Africa's largest economy conveniently overtaking South Africa, who was hitherto Africa's number one (NBS, 2014). At present, poverty in Nigeria is very high with more than 100 million of its population living on less than \$1 per day, despite a strong growth as Africa's largest economy (NEP, 2014). The percentage of Nigerians living in absolute poverty – those who cannot afford to bare essentials of food, shelter and clothing – rose to 60.9% in 2010 compared with 54.7% in 2004 (NBS, 2011) in Okoroafor and Nwaeze (2013). Although, the nation's economy was projected to be growing at about 6-8% between 2011 and 2014, poverty and unemployment is likely to get worse because there is widening gap between the rich and the poor as a result of entrench deep gap of wealth disparity. This is a paradox because even when Nigeria's economy has continued to grow at appreciable rates, the proportion of people living in poverty has continued to increase unabated every year (Kale, 2012). However, the economy of the country is now projected by International Monetary Fund (IMF) to be growing at 5% in 2015 because of the slump in oil prices which the country is deeply affected (Thisday Newspaper, December, 2014)

According to the report of National Bureau of Statistics (2011), 112.519 million out of an estimated 163 million of Nigeria's population live in relative poverty. Relative poverty is the comparison of the living standard of people in a given society within a specific period of time (Okoroafor and Nwaeze 2013).

Comparing the above figure with an estimated 28 million population of Uganda, then the poor people in Nigeria is about four times. Apart from the relative poverty index, Nigeria failed all poverty tests using all poverty measurement standards: absolute poverty measure puts the country's poverty profile at about 60.9%; the dollar per day measure puts the poverty profile at 61.2% and the subjective measure puts the poverty profile at 93.9 % (Okoroafor and Nwaeze 2013, p.106).

A most factual indicator is the Harmonized National Living Standard Survey (HNLSS) which puts the country's poverty profile at about 70%. What then happened to the much celebrated GDP growth rate averaging about 7%? As rightly observed by Seers (1972) cited by Aliyu (2013), the most vital questions to ask about a nation's development are: What is poverty, unemployment and inequality? If there is reduction in these three indices from high to low level, then undoubtedly, there is an era of development in the nation. But in a situation where at least one or two of these indices are worsening, it demonstrates a clear case of paradox. An economic growth does not automatically lead or translates to development without deliberate efforts and commitments. Until late 2014 when the IMF projected Nigeria's economic growth to be at about 5% as a result of falling oil prices in the international market, the country's economy was claimed to be growing between 6-8% (Thisday Newspaper, December, 2014). This growth was not only driven by oil exportation, but by impressive growth in other sectors like agriculture, telecommunications, real estate, manufacturing, building and constrictions, among others. But the issue that always borders the aspect of Nigeria's economic growth is how qualitative and rapid the growths rates are? Does economic growth rates with appreciable indices in Nigeria's context really translate to development? These are few questions begging the answers. Political leaders who have little or no knowledge of economic management, often conflict, misuse or misapply the concept of economic growth with development. In actual and practical term, appreciable economic growth should be accompanied with appreciable reduction in misery indices in a country.

However, there is no dispute that Nigeria economy is growing, even with the slump in oil prices, but these growth are paradoxically accompanied or ushered with high or rising indices of misery, social and economic deprivations, poor and decay infrastructures, high level of poverty and unemployment, diseases, high rates of illiteracy, hunger, among others (Punch Newspaper, 2012). The former Minister of National Planning Commission, Dr. Shamsudeen Usman was quoted to have revealed during workshop on Nigeria's Gross Domestic Product (GDP) Restructuring Exercise held by National Bureau of Statistics (NBS) in Abuja, that Nigeria's GDP stands at ₦41.2 trillion (\$262 billion) which ranks 36th in the world and 2nd in Africa behind South Africa. He further revealed that the GDP growth rate has averaged 7% since 2004 but paradoxically, poverty has reduced by just 2% within the period. (Daily Sun, August 27th, 2013 in Aliyu, 2013). This study therefore seeks to investigate and determine why robust economic growth results in rising incidence of poverty, rising incidence of unemployment, rising discomfort and misery indices in the country. However, there is a clear case of paradox as the economic growth in the country has not translated to development, possibly because the government lacks deliberate or conscious socio-economic transformation and restructuring agenda with clear marshal economic vision. Past and present government had devised means of curtailing poverty, employment and other misery indices through establishment of different agencies to tackle it like Poverty Alleviation Programme (PAP), National Directorate of Employment (NDE), etc. but all these agencies fail because of corruption and underperformance (Aliyu, 2013). The major reason of embarking on this study however is to unravel the real paradox in Nigeria's economic growth, why they are paradox and how it can be addressed.

However, this study will constitute a useful additional contribution to the existing literature on the issue as well as serve as a source of additional information to policy makers, academics and the general reading public. The study therefore focus on the institutional problems affecting the economy and the reasons behind economic growth without development in the country.

II. Statement Of The Study Problem

There is no disputation that Nigeria's economy is growing at an appreciable rates. But, these growths are however accompanied with high level of misery indices, poverty, unemployment, etc. Corruption, treasury lootings and wastages contributes significantly to this paradox. Government economic performance is measured in terms of GDP growth rate, pricing stability like inflation and exchange rate, rate of unemployment, rate of poverty, etc. But the reverse is the case in Nigeria's situation. Yes; the GDP is growing, inflation has reducing from double digits to single digit, but this has resulted in 70% level of poverty and about 23.9% of unemployment (NBS, 2011). What a paradox?

An average Nigerian is a poor man living in poverty. Nigeria is a nation of riches and plenty as well as splendid wealth which are in the hands of few while leaving many at extreme and abject poverty. According to (Okoroafor and Nwaeze 2013) the disparity between Nigeria's economic indicators, human component variables and the reality is a source of worry. This is because people die on daily basis as a result of their inability to afford three square meals a day as well as access to basic necessities of life including public healthcare. But unfortunately, this goes on in a society of which some privilege few displayed wealth and affluence in an unimaginable proportion. It remains a paradox that despite the fact that the Nigerian economy is growing, the proportion of Nigerian living in misery, poverty, discomfort and unemployment is increasing every year rapidly.

2.1. Study Objectives

Generally, this study examines the paradox of economic growth without development in Nigeria. In order to guide the study focus as well as direct appropriate analysis of the subject issue, the study seeks to:

- (i) Examine the causes of economic growth without development in Nigeria.
- (ii) Evaluate the impact and effect of economic growth on development in Nigeria.

2.2. Study Research Questions

To achieve the study objectives, the following research questions were raised.

- (i) What are the causes of economic growth without development in Nigeria?
- (ii) Why have economic policies of Nigeria over the years not yielded positive socio-economic robustness?

1.3. Study Methodology

The issue of methodology is very crucial to any viable study. This study therefore justified its analysis from archival data to examine extant literature on why the Nigerian economy is growing yet no development. Data for analysis are extracted from publications of previous publications on the subject area, the regulatory agencies such as the Central Bank of Nigeria, National Bureau of Statistics (NBS) as well as other relevant international agencies reports. Although, statistical technique is adopted to infer inferences, inferences drawn from the data giving are reliable and valid for informed policy formulations and recommendations.

III. Conceptual Review Of Related Variables

Development, Economic development, Economic growth, Development, Poverty and Unemployment.

Development: Development means different things to different people depending on the context to which it is used. It used in this study will be confined to context. According to Todaro (1977, p.14) implies “the reduction or elimination of poverty, inequality and unemployment within the context of a growing economy”. Development entails tangible, qualitative, real/material improvement in citizens’ standard of living in terms of access to basic social amenities which will make life comfortable as well as improve their standard of living.

Economic Development: Economic Development is the conscious, concerted and sustained socio-economic actions of policy makers directed to promote the citizens’ standard of living through reduction in misery indices in a particular society. It is the quantitative and qualitative improvement or adjustment in a country’s economy through structural efforts of policy makers and other stakeholders in the country’s economic system with the view of improving peoples’ capacity in the social setting. For economic development to take place, there must be substantial improvement in human capital, literacy ratio, infrastructures, health and other basic social amenities as well as considerable reduction in poverty and unemployment levels in a country. Also, social welfare has an important role in economic development. How the government plans about the poor and unemployed people matters in an economy. In Nigerian perspective, government plans about this set of people is practically zero, despite years of oil boom in the country. It is seen as “a multi-dimensional process involving changes in structures, attitudes and institutions as well as acceleration of economic growth, reduction of inequality and eradication of absolute poverty”. (Todaro, M.P. and Smith, S.C. 2009, p.27).

Economic growth: It refers to the intangible qualitative economic indices like inflation, GDP growth, external reserves and volume of trades as well as balance of payment surplus in a country. It is the expansion of the country’s productive capacity in a particular period of time. On the other hand, can be defined “as increase in an economy’s real level of output overtime. It is absolute increase in economic parameters such as Gross National Product (GNP), per capita, etc.” (Todaro, M. P. 1977, p.16).

Poverty: WHO (2011) sees poverty as a variable that undermines key range in human attributes. Poverty is engendered by income disparity, wider gap between rich and poor as well as inequitable income distributions in a society. It can be seen “as lack of resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encourage and approved in the society in which someone belong” (Townsend, P. 1979, p.45).

Unemployment: Is defined as a situation where someone of working age is not able to get a job but would like to be in full time employment. It is an economic variable that indicate the number of people in an economy who are able and willing to work, but are not able to get a job. However, all these economic variables are conceptually clarified so as to convey meanings to the analysis in this study. It is therefore, easy to assess the level of weakness of these economic variables in relation to the robust economic growth in Nigeria, hence entrenching a paradox. This is so because ordinarily economic growth should usher in significant and

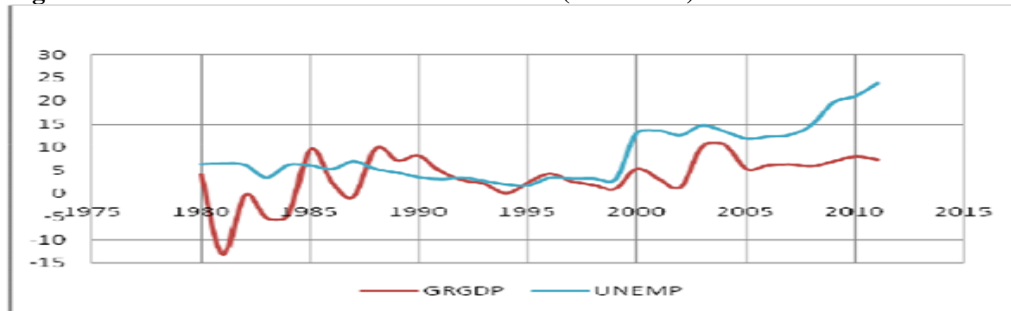
appreciable decrease in poverty, unemployment and other misery indices in a country. What entrench this paradox? This will be answered in the main examination of the study.

IV. Examination Of The Paradox Of Economic Growth Without Development In Nigeria

Nigeria undoubtedly is a country with the fastest growing economy and Africa's largest economy as of 2014. This is so because the country's GDP is put US \$502 billion as at late 2014 by the NBS (NEP, 2014). According to Nigeria economy profile reports (2014) the country's economy was growing between 6 – 8% (2011-2014) generally driven by non-oil sectors like agriculture and telecommunications, etc. These non-oil sectors according to the reports, has significantly contributed in reducing budget deficit. But contrary to this report, Debt Management Office (DMO), the federal government with the same period, that is, in 2013, borrowed an estimated ₦2.49 trillion to finance its operation, representing 54.13 percent of the budget estimates of ₦4.6 trillion for that year. This was even happening when there was oil boom. That is, the benchmark of \$79 per barrel in the budget was exceed to about \$110. What happens to the excess? What a great paradox? However, despite the impressive growth rates in Nigeria's economic indicators, the status of the Africa's biggest economy in 2014 was not only rated low but as one of the Africa's poorest overtaken by smaller countries like Niger, Benin and Cameroon in a prosperity survey by UK based Legatum Institute (Premium Times, 2014). Nigeria was ranked low in areas of education, health, safety and security, etc. despite economic growth rates. Inflation has continued to decline from double digits to single digit. However, the positive impact of non-oil sector on the GDP has relatively been rendered useless because of treasury lootings and unnecessary wastages. The continuous pressure on naira (domestic currency) as well as unprecedented depreciation of the exchange rate against naira have further worsen the current depressed economic indicators, as inflation are likely to rise to double digits again. This will further worsen the existing situation as food prices will likely increase thereby worsening the already complicated situation of high poverty and unemployment profile of the nation. This even happened when the Federal Government had withdrawn about ₦310.05 billion form the Excess Crude Account within six months for the purpose of augmenting monthly allocation to different states in the federation to stabilize the economy (Punch Newspaper, 2014). According to Nigeria economic profile reports (2014) the average GDP composition by sector in 2013 revealed that agriculture has 30.9% industry 43% and others services component has 26.1%. The rate at which unemployment rises in the country is a serious cause of concern. In 2007, unemployment was put at 4.9% compare to the current 23.9% (NBS, 2014). This has raised a serious question as to the credibility and expertise of the managers of the economy. However, this study is limited particularly to economic development, taking into consideration the growth rates in the macro economic variables. The entrenchment of paradox of economic growth without development in Nigeria is traceable to certain factors like corruption, poor implementation of budget, unnecessary borrowing, wastages, looting, lack diversification of the economy as a result of over-dependent on one sector, etc. This will be discussed in details in the next aspect of the study.

According to a recent World Bank Report, economic development is defined as “a sustainable increase in living standards that encompasses material consumption, education, health and environmental protection” (Gaskia, 2012, p.8). The report goes on the state that development in a broader sense, includes other important and related attributes, notably equality of opportunity, political freedom and civil liberties. The overall goal of development, according to the report, “is therefore to increase economic, political and civil rights of all people across gender, ethnic groups, religions, races, regions and countries”(p.8). In Nigeria, according to Gaskia in Punch Newspaper (2012) what we have witnessed, over the years, can best be described as “shadow” economic growth without real development. In other words, the economy on paper, seems to be growing but, unfortunately, in reality, it is a progressive deterioration or, at best, depressive stagnation of the basic economic indicators (Gaskia, 2012). This explains why, every year, the Central Bank of Nigeria release figures and statistics of growth indices in the economy, such as increases in GDP, income per capita, foreign reserves, etc. without a commensurate visible impact or direct positive bearing on the well-being, quality of life and standard of living of ordinary Nigerians, majority of whom (more than 110 million), according to the 2010 National Bureau of Statistics study, live from hand to mouth, below poverty level of \$1 per day. In spite of the endowed riches (in human, natural and financial resources), the country remained one of the poorest in the world (Premium Times, 2014). According to Ekpo (2013, p.9), “in 1980, the rate of inflation was 10%; rose sharply to 40.7% in 1987, then plummeted to 4.7% in 1995. During the period 1980-1985, the economy registered negative growth rates with the rate of unemployment slightly above 5% with negative real interest rates”.

Figure 4.1: Trends in Macroeconomic Variables (1980-2011)



Source: Ekpo, (2013) in Growth without development in Nigeria: Confronting the paradox.

According to Ekpo (2013, p.13);

Agricultural sector contributed about 39% to GDP in 2012; comparing Q₁ and Q₂ in 2012 to the same quarters in 2013, where agricultures contribution dropped slightly while its growth remained at 4%. Agricultural sector has the potential to generate growths and employment, thus, reducing poverty. Telecommunication and post contributed 7.08% to GDP in 2012. The building and construction sub-sector's contribution to GDP was 2.25% in 2012 and 2.39% in Q₂ of 2013. Growth in the building and construction sector would enhance growth and generate employment. It would further lead to poverty reduction.

Table 4.1: Sectoral Contribution to GDP (2012 – 2013)

Item	2012					2013	
	Q ₁	Q ₂	Q ₃	Q ₄	Total	Q ₁	Q ₂
Agriculture	34.47	40.69	42.62	38.20	39.00	33.69	40.06
Solid mineral	0.33	0.38	0.43	0.38	0.38	0.34	0.40
Crude Petroleum and Natural Gas	15.80	13.86	13.42	12.59	13.92	14.75	12.90
Manufacturing	1.12	3.96	3.53	7.12	3.93	1.14	3.98
Telecommunication and Post	7.29	7.28	6.73	7.01	7.08	8.53	8.37
Finance and Insurance	4.07	3.98	2.92	2.82	3.45	3.96	3.95
Wholesale and Retail Trade	23.39	17.12	18.81	20.66	20.00	23.75	17.32
Building and Construction	3.01	2.21	1.68	2.09	2.25	3.27	2.39
Hotel and Restaurants	0.69	0.56	0.53	0.47	0.56	0.74	0.60
Real Estate	2.03	2.03	1.73	1.70	1.87	2.10	2.12
Business and Other Services	1.07	1.12	0.84	0.83	0.96	1.09	0.60
Others	6.73	6.81	6.76	6.13	6.60	6.66	6.74

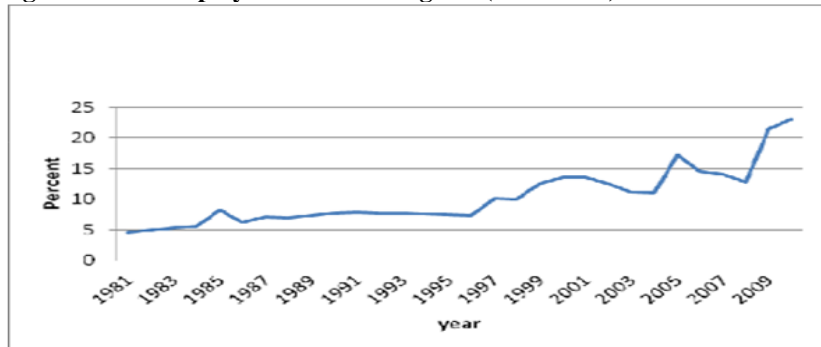
Source: National Bureau of Statistics (2013)

Table 4.2: Labour Market Indicators (2006-2011) (Million)

Item	2006	2007	2008	2009	2010	2011
Nigeria Population	140.4	145.0	150.0	154.3	159.2	164.3
Economically Active	78.9	81.4	84.1	86.7	89.5	92.4
Labour Force	57.5	59.3	61.2	63.1	65.1	67.2
Employed	50.3	51.7	52.0	50.7	51.2	51.1
Unemployed	7.1	7.5	9.1	12.4	13.9	16.1
Newly Unemployed	-	0.46	1.6	3.3	1.5	2.1

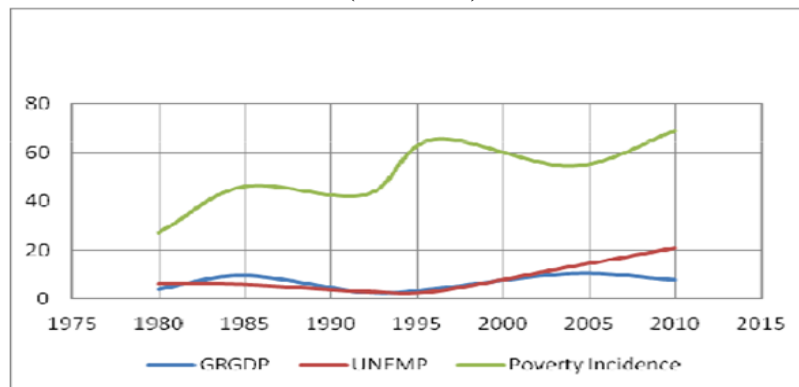
Source: National Bureau of Statistics (2012)

Figure 4.2: Unemployment rate in Nigeria (1981-2010)



Source: NBS (2010)

Figure 4.3: Poverty incidence, Economic Growth and Unemployment rate (1980-2010)



Source: Ekpo, (2013) in Growth without development in Nigeria: Confronting the paradox

According to NBS (2012), out of a population of 140.4 million in 2006, 78.9 were economically active; the labour force was about 58 million while 7.1 million were unemployed. The absorption from the labour force remained merely marginal from 2008-2011, reflecting the period of high unemployment in the country (See Table 4.2). In 1980, the incidence of poverty stood at 27.2%. It increases to 54.4% in 2004 and rose swiftly to 69% in 2010. In 2010, about 112.47 million Nigerians were reported to be in poverty. (See Table 4.3). Between 2004 and 2014, the average growth of the economy was put at about 7% by the NBS, but this robust and appreciable growth rates resulted in rising incidence of poverty, unemployment and misery. In Nigeria, despite robust economic growth, unemployment and poverty is rising unabated; thus, creating wider disparity between the poor and the rich. What a paradox!

Table 4.3: Poverty in Nigeria (1980 – 2010)

Year	Poverty Incidence (%) (Headcount)	Estimated Population (million)	Population in Poverty (million)	Non-Poor	Moderately Poor	Extremely Poor
1980	27.2	65.0	17.1	72.8	21.0	6.2
1985	46.3	75.0	34.7	53.7	34.2	12.1
1992	42.7	91.5	39.2	57.3	28.9	13.9
1996	65.6	102.3	67.1	34.4	36.3	29.3
2004	54.4	126.3	68.7	43.3	32.4	22.0
2010	69.0	163.0	112.47	31.0	30.0	38.7

Source: National Bureau of Statistics (2012)

Table 4.4: Geo-political Structure of Poverty in Nigeria (2010)

Zone	Food Poverty	Absolute Poverty	Relative Poverty	Under \$1 dollar per day
North Central	38.6	59.5	67.5	59.7
North East	51.5	69.0	76.3	69.1
North West	51.8	70.0	77.7	70.4
South East	41.0	58.7	67.0	59.2
South-South	35.5	55.9	63.8	56.1
South West	25.4	49.8	59.1	50.1
Average	40.63	60.48	68.57	60.77

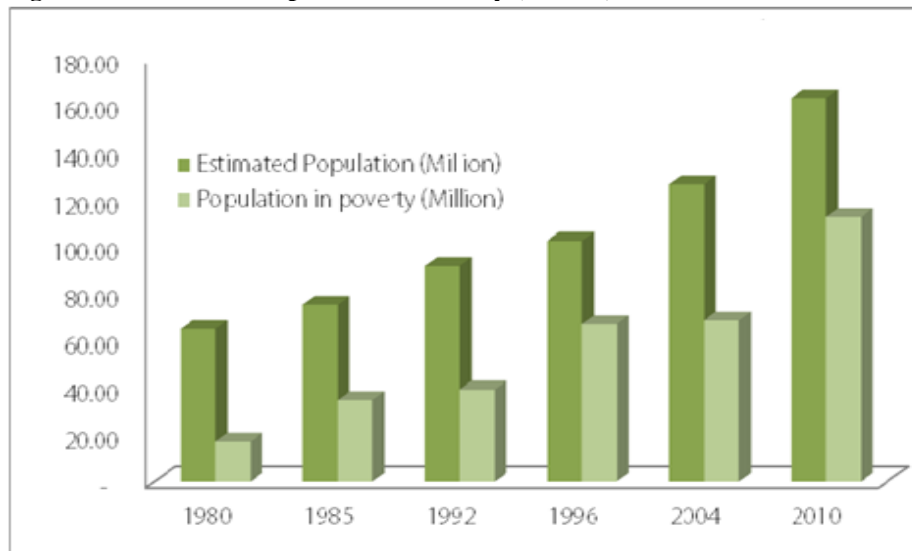
Source: National Bureau of Statistics (2012)

The above table shows that the South West Zone had the least incidence while the North-West Zone had the highest proportion of the poor by all dimensions of poverty measurement.

According to Ekpo (2013, p.28);

For Indonesia, GDP grew by 6.2% between 2011 and 2012, the rate of inflation averaged 4.9% while the rate of unemployment was about 6%- reasonable growth rates coupled with single-digit inflation with almost full employment output; the pattern is similar for Malaysia, China and Singapore.

Figure 4.4: Estimated Population in Poverty (Million)



Source: National Bureau of Statistics (2011)

Figure 4.5: Unemployment Rate (%)



Source: National Bureau of Statistics (2011)

The above figures show that economic growth does not translate the real development in Nigeria. It represents a paradox of growth in the face of poverty, inequality and unemployment. It conflicts rational economic and social theories as well as highlighting vividly, the structural disequilibrium in the Nigerian economy. Regarding Human Development Index (HDI), for Nigeria HDI value for 2012 was 0.471 which is in the low human development category. Nigeria is positioned 153 out of the 187 countries. Between 2005 and 2012, Nigeria’s HDI value increased from 0.434 to 0.471 and increase of 9% or an average annual increase of almost 1.2% (Ekpo, 2013). For a better inference of the performance of Nigeria’s economy, a comparative analysis of the economy with that of some selected oil-producing nations- Nigeria, Venezuela and Saudi Arabia is presented on Table 4.5 below.

Table 4.5: HDI Trends of Nigeria, Venezuela and Saudi Arabia

Country/Year	Oil Producing Position	GDP Per Capita (US\$)	Unemployed Rate	HDI	Literacy Ranking
Nigeria					
2010	11	1432	21.1	0.462	-
2011	11	1486	23.9	0.467	-
2012	11	1555	-	0.471	170
Venezuela					
2010	12	13559	8.6	0.744	-
2011	12	10728	8.1	0.746	-
2012	12	12767	8.0	0.749	100
Saudi Arabia					
2010	2	16538	10.0	0.777	-
2011	2	20778	-	0.780	-
2012	2	-	-	10.782	154

Source: World Bank Statistical Tables (2011& 2012).

The analysis on the Nigerian economy show clearly that though certain macroeconomic fundamentals like inflation rate may move in the appreciable, others such as unemployment, lending rates are not. In addition, poverty is rising and most of the social indices point to an economy that is growing but not experiencing development. Primary production and export of crude petroleum define the economy. The discomfort and misery indices are also rising.

V. Reasons For The Paradox Of Nigeria’s Economic Growth

There are certain factors that entrench this paradox. It ranges from inconsistent policies, corruption and unfavorable business environment to poor budgetary formulation and implementation. Various poverty alleviation schemes by the government failed to yield desired outcome as a result a combination of factors. As noted by Aliyu (2013) inconsistency or lack of targeting mechanism for the poor to actually benefit from the various schemes is one the real issue. This is accompanied by overlapping duplication of functions by different agencies of government which lead to institutional rivalry and conflicts. The economic growth in Nigeria is a

clear case of paradox because as the country gets richer, the Nigerian people became poorer as a result of subjected poverty. According to a London-based Renaissance Capital Limited in Punch Newspaper (2014) Nigerian economy is one of the fastest growing in the world close to Austria and Thailand. This shows that reduction in poverty, creation of employment and reduction of inequality, in terms of income or wealth disparity, does not just requires economic growth but concerted commitment and effort towards improving productive capacities of the economy and the people. Both the unemployed and underemployed youths are serious threat to the socio-economic and political stability of the country. However, these are discussed below:

a. Policy Inconsistency and Unfavorable Business Environment

Nigerian economy is one of the fastest in the world, growing between 6 – 8%, before it was pecked at 5% by the IMF as a result of slump in oil prices (Punch, Newspaper, 2014). These growth instead of translating to development, rather increase poverty as a result of policy inconsistency as well as deep disparities in income between the poor and the rich. Policy inconsistencies have institutionalized confusion and constituted a major obstacles to economic progress (Gaskia, 2012). The effects of this inconsistent policies contributes to constraining the economic growth translating to development. The business environment in Nigeria is not conducive as a result of high cost of operation. The cost of power generation is a major source of worry. The epileptic power supply in the country has been a major source of set back to the development process. The cost of generating and utilization of power is usually very high, thus, making investors to be skeptical and speculative about the future of the Nigerian economy as well as its capacity to sustain businesses. This has attributed to low competitive nature of locally made goods as a result of high cost of production. Another source of worry is the high interest rates in the country. This is even accompanied with weakening naira exchange rate, rise in inflation, decline in oil prices and the speculative native of Nigerian economy which has negatively compounded the impact of the business environment (NEP, 2014).

b. Insecurity, Poverty and Unemployment

The relative growth in the country's GDP however fail to translate to human development. At present, the poverty index of country stood at 70% (NEP, 2014). The unemployment and insecurity in the country further compounded the situation. Insecurity related issues in the country has risen to unprecedented level coupled with insurgents' onslaught which has increased political tension, thus, have divided the country into ethnic and religious line. Political office holders' pay less attention to economic issues especially in this election year, thus resulting in total crumbling and crippling of the country's currency, the naira. The naira has fallen flat with no appreciable measures by the country's economic management team to resurrect it thus increasing speculation about the possible "total" collapse of the economy. This led the former CBN Governor to describe the economic management as "bunch of self-interested and self-conflicted group of traders and businessmen" (Premium Times, 2015, p.1). The country's economy is managed by the wrong sets of people who do not understand the reality but relies on the speculative economic outlook of the country. The combination of poverty, unemployment and insecurity further exacerbate the already complicated situation. This has however contributed in increasing violent crimes as well as deteriorating state of security in the country, leading to increase insurgency actions particularly in the northern Nigeria. Poor and unemployed having felt alienated as a result of income high income disparities and widening gap of material acquisition resorted to crime and violence in the society. This further impacted negatively on the country's economy. The insecurity situation has contributed in scaring the potential investors away for the country thus increase speculation, particularly in this election year. This has however translated into significant reduction in Foreign Direct Investment (FDI) inflows to the country. The consequences of these heighten crimes and insecurity compounded by poverty and unemployment, has resulted in government spending millions of dollars on security related issues. These monies could have been channeled to other sectors of the economy. For instance, 20% of the 2012, budget was allocated to security alone (Gaskia, 2012). This amounted to a situation of a "patient treating symptoms of a disease instead of the causes". This is a clear case of paradox because the government rather than tackling the amelioration of discomfort variables in the society, engage in non-beneficial policies like withdrawing petroleum subsidies which further compounded poverty situation in the country. This is even when the subsidy regime was riddled with fraud and the government does virtually nothing to punish those involved. What does it take government to evolve programmes aimed at eradicating poverty, unemployment rather than conveniently willing to spend much on its consequences? Quiet a paradox. The 2013 and 2014 budgets of the country witnessed incremental components to security related issues in the country. The current security concern in the country like kidnapping, militancy, insurgency compounded by vast army of unemployed youths are serious cause of concern.

c. Corruption, Lootings and Wastages

The issue of corruption, lootings and wastages has not only become endemic in the country but also a norm encouraged by the government, thus constituting a major albatross on the neck of the national economy. Corruption and other fraud in the country have eaten deep into the facet of lives of the society, thus become a passive way of life. According to Soludo, former CBN Governor, in Premium Times (2015) government performance in the economy can only reflect growth when issue of corruption and looting are reduced in the economy. In a growing economy, the outcome or positive implication on the economy is measured by some appreciable micro economic variables like reduction in poverty and unemployment, stabilization of prices (exchange rate and inflation), etc. According to Soludo (2015) the condonation of corruption by the present Nigerian government has resulted in an unprecedented level of poverty and unemployment. This lends credence to the paradox of Nigeria's economic growth. He argued that the Nigeria's economic team is dominated by traders and businessmen (Premium Times, 2015). This led to a conclusion that there is a structural problem confronting the Nigerian economy. Poverty and unemployment has reached crisis level, despite oil boom before the sudden slump in oil prices. The recklessness in governments spending coupled with lootings has further compounded the economic problems of the country Soludo in (Premium Times, 2015). Even with the oil boom between 2011 and early 2014, the country still has depleted reserves, high poverty and unemployment rates. This to a greater extent constitutes a paradox in the economy. According to Soludo (2015) the government unnecessary expenditure coupled with high level of corruption has further exacerbated the already crippling and crumbling economy. The failure of government to prosecute corrupt officials further compounded the situation, as people continue to loot public funds with recklessness and impunity as public officials continue in draining public treasury since they know that they are less likely to be punished.

d. Poor Budget Implementation and Budget Underperformance

Budget is a single but all-important document outlining the financial inflows and outflows of government in a given fiscal year, involving both proposed income and expenditure as well as expected income of government. It encompasses both recurrent and capital expenditures of government in a given fiscal year. Budget formulation and implementation in Nigeria has rather become a yearly "ritual" because of its poor implementation and underperformance occasioned by fiscal indiscipline and corruption. Breach in budgetary implementation is a constitutional offence but not really applicable in Nigeria because of the weak institutions of the political system as well as weak economic institutions. Many observers, citizens, stakeholders and economic experts in the country usually described the component, structure and process of budgeting in the country as not beneficial to sustainable growth as well as effective utilization of productive capacities for development. For instance, since the return of Nigeria to democratic system after many years of military rule, Federal and State budgets have always been structured in such a way that the non-productive-related expenses like salaries, wages of political appointees and other administrative costs and emoluments gulping more than 70% of the total budget cost, while capital expenditure will take the remaining 30%. What a paradox? Walter Rodney once said that why African countries are not developing is that they spend so much on administration rather than development. In Nigeria, a Governor of a state has as much as 600-700 aides, most of them doing nothing but earning hundreds of thousands of naira. This is economic sabotage. In Nigeria, political appointments are seen as empowerment of political supporters hence touts in most cases are appointed to handle sensitive political offices that have to formulate public policies.

According to National Bureau of Statistics (NBS) (2011) Nigeria earned about ₦51.50 trillion as proceeds from oil alone from 1979-2011. Out of this, only ₦3.10 trillion was earned between 1979-1999 while the total sum of ₦48.40 trillion was earned from 2000-2011. This led to a rhetoric question, "can a nation with this financial boom offer any excuse why 70% of its population are relatively poor, wallowing in abject poverty? Why is it that with this economic boom, the country still records high level of unemployment and other misery indices? The questions are definitely begging answers. Government money which are public funds needs to be put in the services of the people to improve their well-being. The procurement system in the country is one of the major sources of wastages and economic dislocation. By "economic dislocation", government engaging in policies that are purely speculative with no direct economic bearing to the general well-being of the people. Here, it also refers to channeling funds to projects that are not useful in improving or stabilizing economic indices. For instance, in 2011, the Nigerian government decided to withdraw partially the subsidy on petroleum. The government backed this up with the establishment of an agency called SUREP-Subsidy Reinvestment and Empowerment Programme. The agency was saddled with the responsibility of engaging unemployed youths in different skill acquisition, construction of roads, etc. but as of 2014, about ₦500 billion was claimed to be missing from the agencies' account. What a paradox? According to Fayemi (2015) over ₦6 trillion of government funds have been stolen through fraud, embezzlement and theft in the oil sector alone. The graduate unemployment in the country at present is about 80%, about 112 million people living in poverty, about 10.8

million children out of school, etc. (Thisday Newspaper, 2015). What a paradox in a country whose economy is one of the fastest growing in the world as well as Africa's biggest economy. The economy recorded a very robust growth between 2011 and early 2014, but the government did not plan enough to utilize the excess money judiciously and this has cost the country a great loss. The transformation agenda of the present administration in Nigeria is a mere speculative economic philosophy with no concrete and well-articulated plans on how to drive it. Without deliberate and conscious socio-economic plans as well as means of implementing it, the leadership of the country will be engaging in speculative economic plans that will further deteriorate the already crumbling economy. With these quagmire, regular presentation of budgets to the National Assembly became a mere a normal ritual that makes no meaning to an ordinary Nigerian, since he or she rarely feels the impact. At a certain point, economy seems to be growing on paper without translating to practical impact, where an ordinary citizen will benefit. The average Nigerian is not interested in the exaggerated estimates presented to the National Assembly for approval, elegant speeches, incomprehensible economic jargons and nomenclature undertone by political coloration, economic indices, but how such will positively impact on his or her life. The ordinary Nigerian is rather interested in essential basic necessities of life, shelter daily food on his or her table, education for his or her children, affordable basic healthcare, security as well as other basic social amenities that will make life better for him or her. Achieving viable, productive and sustainable socio-economic cum political development can never be attained without diligent, concerted and deliberated attention to the basic human needs as well as social wishes of the people. The central meaning or scope of any meaning development anchors on the enhancement of people's standard of living on a sustainable basis. Therefore, any budgetary or government plans that does not lead to satisfaction or reducing misery indices in the society, is not only speculative and illusory but dysfunctional.

e. Lack of Human Development

Human development is an important component of any economic development. Indicators in human development in the country are relatively weak (Aliyu, 2013). Education for instance, is a very important component of economic development focus. This why the United Nations Organization (UNO) recommended 26% of nation's budget to education. Nigeria, with its booming and fast growing economy, only allocates 3% of its national budget yearly to education which is highly insufficient (Aliyu, 2013).

f. High Incidence of Poverty

According to the NBS report (2012) poverty level in the country has reached an unprecedented margin with over 112 million people in a country of approximately 163 million living in poverty. The incidence of poverty in the country has become alarming as at 2010 when the millennium development goals (MDGs) attested that more than 50% of the Nigerian population are living in chronic poverty. The incidence of poverty appears high in the democratic regime than even what was obtained in the military era. Apart from 1996, when the poverty incidence marginally cross the 50% level, it has never happen in the Nigerian history. This shows a mere collapse of the Nigerian economic system. However, when democracy return, people had hoped that the economy will record robust growth as well as translating to human development but this seems to the reverse of the case. This has resulted to what can be termed theoretical economic growth, which reflected little on real development index. This has however conflicts citizen's expectations about the economic stability. The implication is that these set of people cannot afford basic necessities of life like food, health and people die on daily basis because they cannot afford access to basic health needs (Aliyu, 2013). As a result, people develop high level of skepticism about government plans as well as doubt the sincerity of government to direct their actualization. The lack of appreciable progress in poverty reduction in the country has however heighten the level of stagnation and increasing economic inequality.

g. Misplaced Priorities as well as Wrong Application Development Plans

As discussed earlier, Nigeria is a country that most often adopts policies or plans that often resulted in convoluted economic quagmire with clueless focus and application. For instance, the conception and application of Structure Adjustment Programme (SAP) in Nigeria in the late 1980s, with total disregard to the socio-economic compositions of the country further exacerbated and cripple the development efforts as well as rendering large number of people wallowing in poverty and unemployment, instead of reducing it (Garba, 2013). The policy content of the programme was to retrench about 40% of labour force in the public sector. This alone, further compounded the poverty and unemployment situation in the country. This accounted for high level of inflation in that time of about 40.7%, with unemployment rising to 5% from about 2.7%, thus, plundering the economy to register negative growth. The over-dependent of the government on petroleum sector at the expense of other lucrative sector like agriculture and telecommunications is a big source of worry. Little attention are paid to other sectors like agriculture. The much talk about economic diversification becomes a

mirage as a result of uncoordinated and insincere efforts towards its actualization. This had led to export promotion economy at the expense of import substitution. This is a clear case of noticeable paradox. By importing food items with the very earnings from oil when the country is blessed with arable agricultural lands to produce those food items and other raw materials is a serious paradox (Aliyu, 2013).

i. Lopsided Revenue Allocation Formula

As a result of the deeply entrenched dependency on the oil earnings, there is a lot of politics around the revenue sharing formula in the country with it tilting heavily in favour of the central government. There is a lot of emotions shrouded with sentiments about the unfair and lopsided design of the sharing formula in the country by the Revenue Mobilization, Allocation and Fiscal Commission (RMFAC). Revenue in the country are unfairly and unjustly distributed thus affecting balanced development. The decision to pay additional 13% derivation to oil producing states in addition to other statutory allocations have generated controversies among the component units.

k. Involvement of Non-experts in Decisions and Policies

Political appointment into crucial office is rather base on parochial sentiments than expertise in the sector. Some of the Ministers, Commissioners and Special Advisers have questionable educational credentials, while some have unrelated experiences in the areas they are assigned to. Imagine appointing a medical doctor or engineer by profession to handle economic development ministry. What a paradox? Also, most of the government economic policies of government lacks consultations thus amounting to imposition of policies on the people without them contributing to it formulations. For effective and acceptable economic policy framework to be put in place, stakeholders including NGOs, CSOs, CBOS should be integrated to the policy formulation process. According to Agbakoba and Ogbonna (2004) the effect of long military regimes in Nigeria has virtually killed the enthusiasm of civil groups in participating in formulating policies. This has also contributed to government practice of impunity to rules by intentionally disregarding the people in the policy process, formulation and implementation.

However, assessing the Nigeria's economy, one will attest to the fact that the economy is growing at faster rate, with considerable reduction in inflation rate in recent times. But unemployment and poverty, lending rates are on the increases. The issue of leadership is also very crucial economic improvement. It is an important component in any effective development process. Nigeria is in dire need of good leadership committed to the yearnings and aspirations of the people. Below is a quotation from the former CBN Governor Charles Soludo on the poor leadership and mismanagement of the economy, cited in Premium Times (2015, p. 2);

For comparisons, President Obasanjo met about \$5 billion in foreign reserves, and the average monthly oil price for the 72 months he was in office was \$38 and yet he left \$43 billion in foreign reserves after paying \$12 billion to write-off Nigeria's external debt. In the last five years, the average monthly oil price has been over \$100 and the quantity also higher but our foreign reserves have been declining and exchange rate depreciating. My calculation is that if the economy was better managed, our foreign reserves should have been between \$102-\$118 billion and exchange rate around ₦112 before the fall in oil prices. As of now, the reserve should be around \$90 billion and exchange rate no higher than ₦125 per dollar...."

VI. The Way Forward

Government policies in the country should be geared towards economic stability as well as sustained growth. Serious attention should be given to the issues of security. These are issues that attract investors to the country, thereby increasing FDI inflows. The implication is that more jobs will be created, poverty and inflation reduced. If there is stability in power supply in the country, the economic opportunities will probably be rising at an unprecedented rates. According to Aliyu (2013) good governance is a critical valuable component of any social development which usually translate to accountability, transparency and elimination of corruption. Bad governance has been the bane of Nigeria's progressive tendencies. As he rightly argued that leaders should inculcate the ethical tenets of good governance. These will ultimately fast-track Nigeria's development agenda. Effective government monitoring and evaluation of government projects should be put in place. This will increase accountability and transparency in contract procurement and implementation as well as the quality of jobs delivered. Diversification of Nigeria's economic is long overdue. The over-dependency of government on oil does not augur well for the country's projective economic growth. The government should take a drastic steps by shifting away from oil dependent economy to non-oil dependent economy especially giving serious attention to the agricultural sector. For sustainable economic development, improved standard of living and poverty eradication, serious attention should be given for human capital development. Education is one of key factors that can effectively neutralize poverty, underemployment, through skills acquisition. Education is a key to sustainable economic growth. Another issue is the revenue allocation formula.

The revenue in the country should be equitably distributed as well as guaranteeing fiscal efficiency, social justice and sustainable growth. This led to the aspect of corruption. Corrupt leaders should be punished severely because corruption is a serious threat to economic development. There should stringent laws put in place to fight against corruption in the country. The federal government should as a matter of urgency, adopt export promotion, import substitution, capital and labour intensive driven economic strategies to reposition the “defective and deflated” economic indices in the country. This could be done through serious attention given to the informal sector of the economy in areas of cooperatives and social enterprises strategic framework to reduce the negative effects and impacts rising miserable economic indices in the country, which will rubbish the appreciable growth rates in the economy. Also, the concept of inclusive growth in the economy is important, whereby all individual as economic agents are beneficiaries of any growth in the economy. There should be strict implementation of budget estimates as passed by the National Assembly and the government reduces recurrent expenditures in the budget to about 35% while capital expenditures should take 65% so that much funds will be channeled to development efforts.

A proper analysis of this study was done with a view to grounding the analysis properly. The government present economic policy intervention like the Subsidy Re-empowerment Programme(SURE-P) and Youth Enterprise With Innovation (YOUWIN) programmes are however short-term and can only provide “temporary” economic relieves but will not be sustainable if they are not incorporated into the economic policy planning process of government. The Transformation Agenda of the present government is not a strategic economic philosophy or intervention but just a process for moving the economy away from commodity dependency but still import substitution and export driven economy. In the light of the above, the following recommendations are proffered in a summarized version.

- i. Quality leadership is an important element in any development process. A core of leadership that is committed to development of the country by ensuring that millions of peoples are moved away from poverty is urgently essential.
- ii. The modernization of agriculture, industrialization and revolution of the economy through deep commitment would generate considerable number of employment. This will contribute to the transformative growth in the economy. A vibrant real sector economy is needed which will invariably result in the diversification of the over-dependent economy of the country with multiplier effects to the economy. To achieve this, lending rates by monetary agencies like banks should be reduced to single-digit. Government should dismantle the exploitative oligopolistic structure of banks by allowing “competition” sector as well as reduce unnecessary speculation in the economy.
- iii. Serious attention should be given to the housing sector as it remains a key sector in the economy and can contribute considerably to employment generating component of the economy. It is therefore urgent that policies directed at the housing sector be implemented as serious as possible. This should be followed by the provision of housing to different level of income earners which would generate jobs for all skills citizens in the economy.
- iv. The federating units in the country have their own economies which can generate sustainable growth. They should be allowed to grow and generate employment, reduce poverty and guarantee inclusive growth where the economic agents are beneficiaries.
- v. Education is very vital in economic development pursuit, which is the reason why United Nations Organization (UNO) recommends that 26 percent of the nation’s budget be allocated to education. The recommended 26 percent should be implemented in Nigeria’s educational system.
- vi. The government should adopt inclusive growth strategy to tackle poverty, economic instability and unemployment. This will make all economic agents as well as component sectors are beneficiaries rather than being passive about economic strategies.
- vii. Corruption, fraud and treasury lootings has become not only deeply pervasive and structurally endemic but also practically systemic. Stringent laws as well as severe sanctions should be put in place against corrupt public officials to discourage unimaginable looting or diversion of public funds which can be channeled to development projects
- viii. Finally, the government should provide the enabling environment for people to work especially in the area of security of lives and property as well stable power supply. This will attract both local and foreign investors to invest on areas that will reduce poverty and generate employment.

VII. Conclusion

The study examined economic growth stability with development within the Nigerian context and argued that a country cannot experience sustained economic growth, stability and development without impressive growth rates in the social economic indicators or indices. The high growth of the Nation’s economy has not translated into development. This is seen by very high rates of unemployment, poverty of almost 70% and low Human Development Index. The study therefore concluded that with strong, committed and focused

leadership driven by passion for dedicated and selfless service; Nigerian economic growth will generate considerable and sustainable growth that will lead to real development and reduction in miserable indices. The resultant effects of sustainable and effectively managed economy will result in reduction in inflation rates, stabilize exchange rates, price stability, and reduction in unemployment and poverty incidence in the country. The task of achieving sustained and effective economic growth and development rest solely on the government. With abundant human and natural resources in the country, these are achievable within the shortest possible time.

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