ASSESSING THE NIGERIAN ECONOMIC: GROWTH, DISTRIBUTION AND POVERTYALLEVIATION

by
EZEKIEL O. UCHE
Department of Economics,
University of Maiduguri
Maiduguri, Nigeria.

The Nigerian economy has undergone fundamental structural charges over the last four decades. There is evidence however, that the dramatic structural shifts that occurred did not result in any appreciable and sustained economics growth and development. The economy which was largely at the sedimentary stage of development during the first half of the present century started experiencing some structural transformation immediately after the country's independence in 1960. Throughout the 1970s and 1960s and in the early parts of 1970s, agriculture was the core of economic activities in Nigeria. Then, manufacturing and mining activities were at very low levels of development and the country's participation in the external trade was informed by the level of economic activities in agriculture. Agricultural commodities dominated the country's export trade, while manufactured goods dominated imports.
The oil boom of 1973-74 brought a new dimension into the economic activities of the country. The sharp increase in oil revenue in 1973-1974 and again in 1979-1980 had a pervasive effect on the Nigerian economy. The increase in public spending designed to expand infrastructure, non- oil productive capacity, human capacity, and healed the wounds of the civil war that savaged the country between 1967 and 1970, consequently, rising wages and appreciating domestic currency squeezed the profitability of non-oil exports, while cheap imports competed with domestic food production. As a result, the country's resources shifted from the production of non-oil traded goods(mostly agricultural) to that of non-traded goods (mostly public services). The emergence of the oil boom, therefore, relegated agricultural to the background. Within a decade, Nigerian became a major food importer, while production of export crops declined substantially, making the country dependent on a volatile international oil market for almost all of her export earnings and most of the federal, state, and local government revenues (Taiwo, 1990).

Consequently, with the sharp fall in international oil price in the early 1980s and late 1986, Nigerian's economy was almost at the large fiscal and external deficits and other macroeconomic imbalances. To address the problem, the