THE NIGERIAN ECONOMY: IS IT AT THE CROSSROADS?

Akpan H. Ekpo

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ABSTRACT

This paper examines the performance of the Nigerian economy during the period 1999-2007 and discusses some of the challenges to be addressed if sustainable economic development is desirable.

1. INTRODUCTION:

The Nigerian economy has experienced all phases of a typical business cycle. What is disturbing is that the boom(s) commodity, financial and mineral resource, were not linked to the real sector. Each boom came and went yet the economy remained backward and undeveloped. From independence in 1960 to the period 1998/99, various regimes and their policy makers attempted to manage the economy to ensure full employment output with minimum rate of inflation. The management of the economy was based on various economic and socio-political conceptualization, formulation, strategies, programmes and inherent implementation methodologies. Nevertheless, research confirmed that during the period of independence to around 1998/99, with few episodes of prosperity not linked to the real sector, the economy generally remained backward and underdeveloped.

The economy experienced reasonable growth rates, the school system was generally satisfactory, infrastructural development was average, economic and social fundamentals appear to move in the right direction in selected periods in the 1960s, 1970s, 1980s, and 1990s. For details of the performance of the economy during this period, see (Ndebbio and Ekpo, 1989). Yet poverty seemed to have increased during these periods. By 1998, about 72 percent of Nigerians lived below the poverty line. It is, therefore, clear that economic wellbeing cannot be measured purely by economic indicators. For example, the implementation of the

Structural Adjustment Programme (SAP) of 1986 did not produce the expected outcomes. Can we allude to the fact that during these periods, economic policies were essentially ineffective?

The 'democratic' experiment of 1999 was accompanied by economic reforms meant to once again put the economy on the path of sustained growth and development. The major economic reform package was known as the National Economic Empowerment and Development Strategy (NEEDS). In addition, the banking reform which was part of NEEDS was implemented in 2004. These reforms characterized the period 1999 - 2007 (The Obasanjo era). How did the economy perform during this period?

Presently, there is an attempt to harmonize the Seven-Point Agenda, NEEDS2, and the vision 2020 document into a National Development Plan as part of the economic programme of President Umaru Musa Yar'adua.

Combining these strategies and programmes, it is necessary to ascertain how the economy performed in order to determine whether the various policies, strategies and programmes were effective. Let me state upfront that the idea is to examine broadly selected indices of the economy, raising questions rather than answers. Perhaps from the questions raised, scholars will undertake a more robust analysis of relevant issues about the economy.

The Nigerian economy has abundant human, material and natural resources yet the pace of economic development has been rather slow; others have argued that the economy is experiencing underdevelopment when compared to the 1960s and 1970s. Despite the various postulations on the Nigerian economy, what is certain is that development is not a linear process: it is a process of ups and downs. However, when the development process is smoothened over-time, a

country should be able to assert that majority of its citizens have had a better standard of living over-time. Can this be said of Nigeria?

The objective of this paper is to contribute to the discussion and/or debate as to whether the Nigerian economy is at the crossroad, despite the first eight years of 'democratic' experiment characterized by far reaching economic reforms. Following this introduction, section 2 will briefly examine theoretical issues. In section 3, we analyze the performance of the economy. Selected maters affecting the economy from the nature of its federation will follow in section 4; selected challenges facing the economy will be examined in section 5, while section 6 concludes the paper. It is expected that the analysis in the paper will add to the menu of available briefs to policy-makers as they strive to efficiently manage the Nigerian economy.

2. THEORETICAL ISSUES:

In addressing the subject matter, the existing schools of thought will influence our discussion. At present, all schools of thought recognize the importance of government intervention in the economy. The various schools may differ on the extent or degree of government intervention and perhaps in which areas of the economy public sector intervention is required. There is nothing wrong in a private sector driven economy but given the present state of Nigeria's development, the economy can be public led but private sector driven.

We will employ basic indices of performance that do not deviate markedly from theory. Despite their shortcomings, indices such as gross domestic product, rates of inflation, rates of unemployment, basic social indices, among others are accepted indicators in examining broadly the performance of an economy.

We will utilize existing and published data realizing the problems of reliability and consistency. The use of existing data will enable economists and other social scientists to make forecasts about the future. "Economic forecasting is unique in that forecasters are forced to show their hand in real time as they generate their forecasts. If forecasting performance is poor, this will become clear to the forecaster once data on realizations of the predicted variable is revealed" (Elliott and Timmermann, 2008, p.4). Hence we realize the importance of good data if economic forecasting is to make sense. However, any forecasting model must be guided by economic theory.

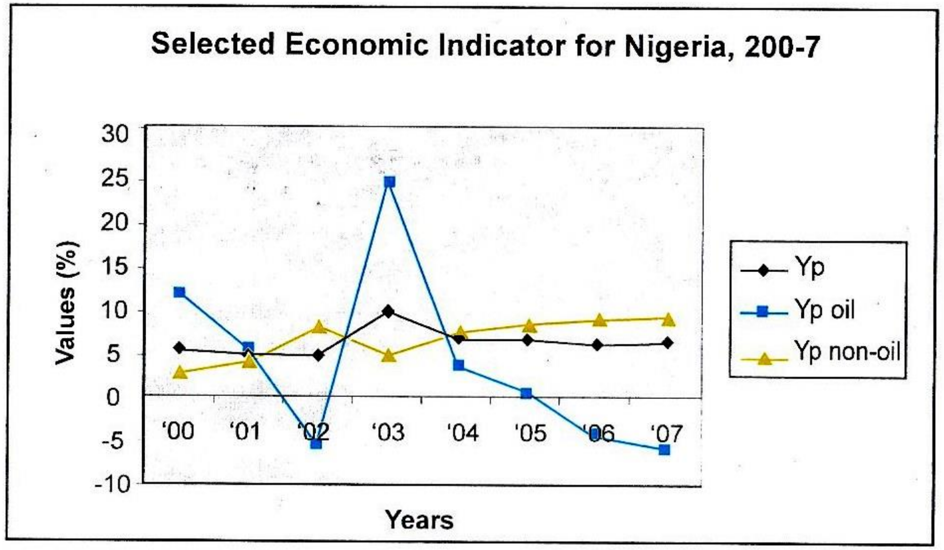
In addition, we will relax the assumption that the sum of the error term is zero. It is possible that the problems of the economy and recommended solutions may be in the error term. Fortunately, the error-correction methodology now allows economists to consider all available information even if they (set of information) may be non-economic. At least, let us consider all issues influenced by an array of theories before we build a parsimonious understanding of the economy.

3. PERFORMANCE OF THE ECONOMY, 2000 - 2007

Against the background of various economic policies, the tables 1-5 below summarize the performance of the economy during the period 2000 - 2007. The real growth rate averaged about 6 per cent during the period; the oil sector's GDP showed negative episodes during the years 2002, 2006 and 2007 due to unrest in the Niger Delta region. It is interesting to note the growth of non-oil GDP. It was about 3 per cent in 2000 but rose steadily and in 2007, grew at 9.6 per cent. These growth rates appear impressive particularly when compared to the population growth rate of about 3 per cent. In the same vein, the GNP per capita which was U$388.1 in 2000 rose to U$1282.2 in 2007 representing a compound growth rate of about 16 per cent. In other words, all things being equal, the average Nigerian had more income in the year 2007 as compared to the year 2000.

However, when we examine the sectoral GDP growth, the results appear mixed. During the period under review, the industrial GDP

growth was negative in 2001, 2002, 2006 and 2007 (see graph below). It seems the industrial sector is not contributing adequately to the growth of the economy. It is necessary to disaggregate the industrial sub-sector to ascertain the bottlenecks.



It is therefore not surprising that factories in the economy were producing below installed capacity. During the period under review, capacity utilization averaged about 50 per cent. If the economy has to be on a path of sustained growth, capacity utilization should average about 75 percent (see Table 2).

Let us examine other macroeconomic indicators. The rate of inflation was about 7 per cent in 2000 but rose sharply to about 19 per cent in 2001 and remained at double-digit up to 2005. It should be noted that this figure is not core inflation which is measured as the rate of change of all items Consumer Price Index less farm produce but the twelve month moving average. Thereafter, the rate of inflation dropped to single-digit representing 5.4per cent in 2007. This could be attributable to the tight monetary policy of the Central Bank of Nigeria as well as an attempt by the federal government to ensure fiscal prudence. With reasonable rates of inflation and healthy external balance as well as reduced fiscal deficits, the macro-economy was stable during the period 1999 - 2007. The current account as a percentage of GDP remained satisfactory and external reserves could finance almost two months of imports (See Tables 3-5 below).

There appears to have been a deliberate policy to reduce credit to the public sector. The growth of credit to the public sector remained negative and very high during the period 2004 - 2007 while that of the private sector increased significantly from 30.9 per cent in the year 2000 to about 97 per cent in 2007. However, it would be necessary to disaggregate the credit to the private sector to better understand its share in total credit as well as its contribution to the growth of the economy. It is useful to state that prior to 1999, credit to the public sector dominated the banking sub-sector of the economy. Disaggregating net credit to the private sector would reveal what percentage of the credit goes to the real sector of the economy.

Despite the seemingly satisfactory performance of the macro economy, certain indicators show that the economy may be experiencing growth without development. The unemployment rate beginning in 2005 in which composite unemployment was 17.2 per cent while that of the urban sub-sector was 10 per cent does not augur well for the economy. When the rate of unemployment is added to the rate of inflation, the economy is definitely growing at less than full - employment output. The discomfort index from 2005 to 2007 is quite high and does suggest that the growth rate of 6 per cent is not employment inducing. What then is driving the growth of the economy?

Table 1: Nigeria: Selected Economic Indicators, 2000 - 2007 (in %)

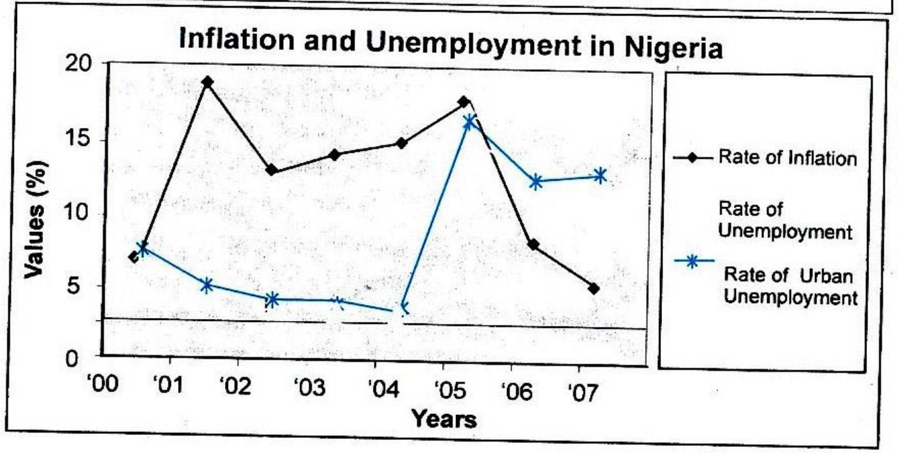
Year	Yp	Yp oil	Yp non-oil	Agric	Industry	Services	GNP Capital (US$)
2000	5.4	11.3	2.9	3.8	5.5	5.1	388.1
2001	4.6	5.2	4.3	4.2	-3.8	20.2	390.3
2002	4.6	-5.7	8.3	4.2	-3.4	14.8	369
2003	9.6	23.9	5.2	6.6	20.6	2.8	620.9
2004	6.6	3.3	7.8	6.5	4.4	9.2	673.2
2005	6.5	0.5	8.6	7.1	2.2	10.5	847.4
2006	6	-4.15	9.4	7.4	-2.5	9.2	1036
2007	6.2	-5.9	9.6	7.4	-3.5	9.8	1282

Source: CBN Annual Report and Statement of Accounts, Various Issues.
Notes: Yp = growth of real GDP;Yp oil = growth of oil GDPYp non-oil = growth of non-oil GDP;

Table 2: Nigeria: Capacity Utilization and Discomfort Index, 2000 - 2007 (in %)

Year	Capacity Utilization	Rate of Inflation	Rate of Unemployment	Rate of Urban Unemployment
2000	36.1	6.9	4.7	7.2
2001	39.6	18.9	4.2	4.8
2002	54.9	12.9	3	3.8
2003	56.5	14	2.9	3.2
2004	55.7	15	2.8	3.3
2005	54.8	17.9	17.2	16
2006	53.3	8.2	14.6	12
2007	53.5	5.4	14	12.1

Source: NBS. Abstract of Statistics, 2006, Abuja.



In addition, despite the monetary policies of the CBN, lending rates remain quite high. The effective lending rates are even higher hence it becomes difficult to enhance domestic and foreign investment in concrete terms. What we have is a boom in the stock market dominated by bank shares. What the economy needs are new factories (small, medium and large) to propel growth and generate employment. However, the real interest rates remained positive during the period. The high cost of funds has implications for the economy, particularly in terms of new investment that would use human resources rather than speculative investment.

Table 3: Nigeria: External Economic Indicators as % of GDP

Year	Overall Balance	Current A/C	Capital & Fin. A/C	External Reserves (U$m)
2000	6.9	15.7	-8.6	9,910.40
2001	0.5	5.2	-4.5	10,415.60
2002	-10.5	1.3	-11.6	7,681.10
2003	-1.6	4.9	-6.4	7,467.80
2004	9.7	17.7	-7.9	16,955
2005	9.2	27.3	-23.5	28,279.10
2006	9.8	18.9	-11.8	42,298
2007	4.9	16.3	-7.8	51,333.20

Source: CBN. Annual Report and Statement of Accounts, Various Issues, Abuja.

Table 4: Nigeria: Fiscal Balance, and Cost of Funds, 2000 - 2007

Year	Overall Fiscal balance as % of GDP	Prime Lending Rates	Maximum Lending Rate
2000	-2.3	17.98	21.55
2001	-4.3	18.29	21.34
2002	-3.8	20.6	25.7
2003	-2	19.6	21.6
2004	-1.5	18.9	20.4
2005	-1.1	17.8	19.5
2006	-0.5	17.3	18.7
2007	-0.5	16.9	18.4

Source: CBN. Annual Report and Statement of Accounts, Various Issues,Abuja.

Table 5: Nigeria: Credit to the Economy, 2000 - 2007 (%)

Year	Net Domestic Credit	Credit to Private ~~Creditors~~ sector	Credit to Govt.
2000	-25.3	30.9	-170.1
2001	79.9	43.5	95.2
2002	64.6	19.7	6320.6
2003	35.7	26.8	58.4
2004	12	26.6	-17.9
2005	14.5	30.8	-37
2006	-67.4	27.8	-692.1
2007	193.5	96.8	-60.1

Source: CBN. Annual Report and Statement of Accounts, Various Issues, Abuja.

The movements of macroeconomic variables suggest that the economy is stable but does that translate to development? The movement of certain rates is not uncommon in an economy in which market forces dominate. However, it is the responsibility of the State to ensure that the market does not become a burden to society. The market if left on its own will often generate periods of booms and recessions hence it is for government to ensure sound counter-cyclical policies. It is often argued that about two-thirds of Nigerians live in poverty. There exists various poverty alleviation programmes coordinated by a national agency (NAPEP). A rigorous study is necessary to ascertain whether these strategies and programmes have succeeded in reducing poverty. Such a study will also address the effectiveness of the various poverty alleviation programmes.

In 2006, the National Bureau of Statistics (NBS) carried out a nation wide survey of indicators of welfare. The survey produced data on 34 core welfare indicators using the Core Welfare Indicator Questionnaire (CWIQ). Some results of the survey are summarized in Table 6 below. The results revealed disparities in socioeconomic indicators across geopolitical zones and thus stressing the value of disaggregated sub-national level analysis. About 51 per cent of Nigerians reported safe water source in 2006; it is quite low in the rural area and less that 50 per cent across all the geopolitical zones except the North-East. In terms of sanitation, only 13.8 per cent can say they have access to safe sanitation; the situation is not significantly different across the geopolitical zones. The situation is not only deplorable but has health implications.

At the national level, only about half of the national sample of households had electricity. The incidence of electricity among households is much higher in the urban than the rural areas. The highest incidence is reported in the South-West, followed by South-east. Of the households sampled, only 1.2 per cent owned personal computers in 2006 when compared to the previous year. The number has to increase if the desire is to build a knowledge-based economy.

Some of the education data appear disappointing. At the national level, only 12 per cent complete primary school; 16 per cent in the urban areas as compared to 10.5 per cent in the rural areas; across all geopolitical zones, primary school completion rate is less than 25 per cent. On the other hand, access to primary school stood at about 75 per cent at the national level and remained quite high in all zones except in the South-east zone in which access was almost 60 per cent. Only 20 per cent completed secondary school in the household surveyed in 2006; the figure is lower for rural areas (13.6) and remained unimpressive in all the six geopolitical zones. It is also interesting to note that about 56 per cent of households surveyed say they were satisfied with secondary school education.

From the survey results, about 54 per cent of households have access to heath facilities; in the South-east health access (36.4 per cent) was lower than the national average.

Table 6: Nigeria Core Welfare Indicators, 2006

Welfare Indicator	National	Rural	Urban	North East	North West	North Central	South East	South West	South South
Access to water	84.4	80.1	92.8	87.4	92.6	80.5	63.6	93.6	78.5
Safe water source	50.9	39.6	72.8	30.4	50.2	48.5	40.3	73.1	45.5
Safe sanitation	13.8	5.6	29.7	3	4.4	9.8	19.7	23.1	19.3
Improved waste Disposal	18.8	4.7	37.3	6.1	10.6	8.7	8.9	35.5	13
Has electricity	54.1	38.1	85.3	29.5	36.9	43.9	63.9	78.1	61.2
Ownership of Personal computer	1.2	0.5	2.6	0.3	0.7	1.1	1.3	2.3	1.2
Primary net environment	62.4	57.5	75.4	44.6	43.5	73.3	82.4	82.9	77.3
Access to primary School	74.6	70.5	85.6	70.2	74.7	78.8	59.8	87.5	70.3
Primary completion Rate	12	10.5	16.1	6.3	5.8	12.8	22.9	18.6	17.2
Satisfactory with primary school	58	54.2	66.4	36.8	57.8	50.1	64.9	76.6	54.3
Secondary net environment	45.9	39.8	59.8	26.3	25.8	46.4	59.9	65.2	58.9
Access to secondary School	46.3	36.6	68.2	35.3	42.5	46.8	31.9	68.6	47.1
Secondary Completion rate	20	13.6	34.5	7	7.2	15.8	27.9	39.4	25.5
Satisfactory with Secondary school	56	51	64.2	40.6	57.8	48.3	53.1	74.6	48.3
Health access	54.1	46.8	69.7	47.3	54.2	60.1	36.4	72.3	44.6
Satisfaction with medical services	66.9	62.6	75	62.6	62.5	66.9	64.8	81.5	57.8

Source: NBS. Core welfare indicator Questionnaire (CWIQ) Survey, 2006. Abuja: National Bureau of Statistics.

These results do confirm that millions of Nigerians do not have access to basic needs and that partly explains their low standard of living when compared to the resources in the country. The results do show that the leadership at all levels must address the issue of poverty across all geopolitical zones.

4. PERFORMANCE OF SUB-NATIONAL GOVERNMENTS:

Though the country has thirty-six states, a federal capital territory and seven hundred and seventy four local governments (a three tier structure), there is only one economy. Over the years, sub-national governments in Nigeria have received allocations from the centre and for the local governments from both the centre and states including their own internally generated revenues yet service delivery remains ineffective and inefficient at the lower levels of government. It is crucial that studies be undertaken to determine how these resources have been utilized to improve the economic well-being of Nigerians living at the lower levels of governments.

There is always the call for more revenue allocation to SNGs in Nigeria; emphasis needs to shift to not just revenue generation but also to outcomes, that is, the results in a development sense of how existing revenues were utilized. This is not to suggest that the need to re-examine the fiscal relationship between the three tiers is not important. The states, for example, must engage the centre in order to maximize their revenues. In addition, SNGs need to be innovative in designing mechanisms for enhancing their revenue potentials.

The country's federalism ought to be both competitive and cooperative. Under competitive federalism, States must be able to 'run' their economies independent of the federal government; they must have some fiscal autonomy and fiscal decisions must follow rules rather than discretion. At present all States except Lagos depend almost 75 per cent on federal allocation and generate on the average about 14 per cent of

own revenues. This is an unhealthy situation when we consider the fact that even the source of federal government revenue (crude petroleum) is very volatile. Each State must build its own economy in order to be competitive within the federation as well as globally. The disparities in States and local governments create incentives to design and attract, for example, investors within and outside the country (Ekpo, 2008c). Under the present scenario, no State is economically viable not to talk of local governments (see Tables 7 and 8 below). Though the data are for selected States, the evidence is similar for others.

A robust analysis of performance at the SNG level requires data. The economy is ripe enough to generate GDP figures for States. States on their own ought to generate relevant data to enable them monitor performance and plan for the future; without relevant data, outcomes of expenditures cannot be properly assessed. The survey conducted by the NBS showed that most States performed below standard concerning the provision of basic needs to its citizens.

In a federal structure economic performance of lower tiers of government must take place under an environment of peace and stability; matters in a federal structure are never completely resolved. Under cooperative federalism where the federating units have agreed to live together, it follows that contending issues are addressed through dialogue and compromises. Based on the fact that the economy is one. the federating units ought to cooperate to ensure the building of a growing and sustainable system. For example, in the case of Nigeria, cooperation is required in fiscal matters to ensure macroeconomic stability. Hence, the passing into law of the Fiscal Responsibility Bill. the Public Procurement Bill, Revenue Sharing formula. etc are issues that bother on dialogue and cooperation.

Nigeria's federalism should be "market preserving" in which the centre is seen to have a dual role: (i) maintaining 'positive market incentives' that reward economic success and (ii) committing itself to 'negative market incentives' that sanction economic failure soft budget problem (Vishwanathan, 2007).

Table 7:State Governments' Finances, 2001 2005 (As % of Totals)

Fiscal Indicator	2001	2002	2003	2004	2005	Average
Federation Account Revenue as of % of total revenue	78.29	65.83	70.3	78.41	71.03	73.77
Internally Generated Revenue (IGR) % of Total Revenue	10.36	13.38	13.89	12.05	8.65	11.66
Other Revenue As % of Total Revenue	11.35	20.79	15.81	9.55	20.32	15.57

Source: Central Bank of Nigeria: Annual Report And Statement of Account

Table 8: IGR as % of Total in Selected Nigerian States, 1999 - 2006

Year	Akwa Ibom	Cross river	Kano	Lagos	Ondo
1999	24.4(75.6.0)	14.8 (85.2)	18.5 (81.5)	45.0 (55.0)	22.1(77.9)
2000	15.5 (84.5)	12.5(87.5)	12.2 (87.8)	50.1 (49.9)	21.4 (78.6)
2001	12.8 (87.2)	10.2(89.8)	15.6 (84.4)	54.0 (46.0)	21.7(78.3)
2002	14.6 (85.4)	8.6 (91.4)	14.4 (85.6)	51.9 (48.1)	34.1(65.9)
2003	10.5 (89.5)	6.9 (93.1)	13.2 (86.8)	50.7 (49.3)	29.7 (70.3)
2004	7.2 (92.8)	8.6 91.4)	13.9 (86.1)	50.5 (49.5)	21.6 (78.4)
2005	5.4 (94.6)	10.4 (89.6)	12.5 (87.5)	48.0 (52.0)	19.7 (80.3)
2006	0.0	0.0	13.7 (86.3)	46.0 (54.0)	18.6(81.4)

Sources: (1) Taiwo, I. O (2007); (2) Culled from CBN data
Notes: Federal Transfers are in parenthesis

When we examine the socio-economic indicators as published by the National Bureau of Statistics, most states are lacking behind in terms of service delivery. Table 9 below summarizes the survey by the NBS. Lagos State seems to be doing better than others and thus within the framework of competitive and cooperative federalism, it will attract more investment and will experience influx of people a kind of voting with your feet hypothesis

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Table 9: Nigeria Core Welfare Indicators, 2006

	State that Reported highest incidence	State that Reported Lowest incidence
Access to water	Lagos	Imo
Safe water source	Lagos	Taraba
Safe sanitation	Lagos	Jigawa
Improved waste disposal	Lagos	Yobe
Has electricity	Lagos	Jigawa
Ownership of personal computer	FCT	Yobe, Zamfara
Ownership mobil telephone	Lagos	Jigawa
Access to primary school	Lagos	Ebonyi
Primary net enrolment	Ekiti	Zamfara
Satisfactory with primary school	Osun	Taraba
Primary completion rate	Anambra	Jigawa
Access to secondary school	Lagos	Zamfara
Secondary net enrolment	Ekiti	Jigawa
Satisfaction with	Osun	Yobe
Secondary completion rate	Lagos	Kebbi
Health Access	Abuja	Ebonyi
Satisfaction with secondary school	Ekiti, Lagos	Imo

Source: NBS. Core welfare indicator Questionnaire (CWIQ) Survey, 2006. Abuja: National Bureau of Statistics.

There is no doubt that the economic reform programme is yet to have profound impact on the economy. There are several reasons to explain why this is the case; some of the challenges to be discussed below may shed some light on the structural problems in the economy.

Nonetheless, economists and other social scientists will have to conduct research to either validate or reject the assertion that the impact of the economic reform is yet to be felt by majority of Nigerians. This is the contention with the trickle down effect of economic policies. The impact of some policies may take too long to bear fruits and in the long-run, "we are all dead" though not all at the same time.

5. CHALLENGES:

There are several challenges facing the Nigerian economy but some of the challenges ought to be addressed urgently if growth and sustainable development is desirable. They include:

- Infrastructural development this requires urgent attention particularly the power sector; fortunately, the present administration seems determined to tackle the problem. With an efficient power sector, the economy can run on at least two shifts; the multiplier effect of this cannot be overemphasized employment generation, increased revenue for government etc. The road net work in most part of the country is nothing to write home about. Infrastructure could be financed through several approaches one of which is the public-private sector partnership arrangement and government is pursuing this aspect. Access to safe source of running water is a problem to millions of Nigerians; transportation remains a major issue. There is need to create an enabling environment for the private sector to invest in the area of infrastructure.

- Leadership matters. As economists, we have come to agree that the quality and commitment of leadership are necessary requirements in building an efficient and effective economy. This is not only confined to political leadership but leadership at all levels.

- Good Governance. Accountability, transparency and comprehensiveness in the conduct of government business remain a challenge for the economy.

- Economic Management. Managing an economy is a difficult task hence those charged with the responsibility of doing so must be qualified and experienced. There is need to sustain institutions that will regulate and monitor effectively the economy.

- Human Capital Formation. We cannot pretend that our educational institutions at all levels are what they used to be in the 1960s and 1970s; no nation grows faster than the qualitative development of its manpower institutions. Government must build capacity as well as encourage the private sector to do so. If the economy is to be one of the largest in the year 2020 then that economy must be propelled by humans who are skilled and trainable.

- Niger Delta Region. This remains a big challenge for government and those interested in Nigeria's development. The master plan for the region ought to be implemented without delay. Crude oil production has reduced because of the crisis in the area.

- Lags in policy formulation and implementation. The delay in implementing government programmes is counterproductive to the economy. Capital projects ought to be executed as at when due and in line with budget provision in order to ensure discipline and growth of the economy.

- Competitiveness and Globalization. Policy-makers must utilize all available information to make Nigeria competitive in the world. However, it is important that the domestic economy first be strong if it is to be competitive globally. Is the country ready to maximize the benefits of globalization?

6. CONCLUSION:

In this paper, we have raised issues that centre on the development of the Nigerian economy particularly during the period 1999-2007. The period experienced marginal gains as major economic and financial fundamentals moved in the right direction. However, we alluded to the fact that the provision of basic needs were grossly inadequate hence partly aggravating the poverty situation in the economy.

There is no doubt that the period and the available data prevent a rigorous analysis but we have challenged scholars to do more work to answer some of the questions raised in the paper. It is our contention that if the epileptic power situation is addressed, basic needs are provided to Nigerians for a fee, capacity is built and leadership at all levels are committed to the development of the country then the economy will be on the path of sustained growth and development; growth without development remains an illusion and the trickle-down economic policy never works.

As Nigeria strives to be one of the largest twenty economies in the world by the year 2020, we hope that the issues raised in this paper will contribute to addressing the question: The Nigerian Economy: Is It At The Crossroads?

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