

## A NORMATIVE ANALYSIS OF ECONOMIC GROWTH, UNEMPLOYMENT AND POVERTY RATE IN NIGERIA (1981–2015)

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### **ABSTRACT**

*This study seeks to employ normative analysis of the relationship between Economic growth, Unemployment and Poverty in Nigeria. Secondary data covering the period of 1981 to 2016 on Gross Domestic Product growth rate, Unemployment rate and Poverty rate sourced mainly from Central Bank of Nigeria 2017 Statistical bulletins. To accomplish this objective, descriptive statistical analytical tools like Mean, Line graph, Standard deviation, Skewness, Jarque bera and Probability were employed. From the inferential analysis done, it was observed that the Nigerian economy has recorded a slightly moderate but rising growth rates. Unfortunately, the slightly impressive economic growth rate has not been accompanied by decreased unemployment and poverty rates. The line graph shows that, as against expectation, in most of the years the increase in Gross Domestic Product growth rate did not lead to decrease in Unemployment and Poverty rate. The result of the Mean supported this by showing unfavorable position when compared with the figures of the variables. Under the null hypothesis of residual normal distribution, the Jarque-Bera statistic follows the 5 percent level of significance and the residuals of all the variables are normally distributed. Gross Domestic Product growth rate and poverty rate are negatively skewed which implies that they have long left tails, the unemployment rate is positively skewed; which means that the distributions have long right tails. We conclude that Nigeria's economic growth potentials do not impressively reflect in the level of unemployment and poverty rates. The implication is that there should be a policy review geared towards transmitting economic growth to reverse the increasing trend in unemployment and poverty levels.*

**KEYWORDS:** *Economic Growth, Unemployment, Poverty, Nigeria*

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### **INTRODUCTION**

The economy of Nigeria has been experiencing increase in Gross Domestic Product (GDP) but this increase has not led to economic development especially in the areas of employment generation and poverty alleviation (CBN, 2015).

Opejobi (2016) reported that “Nigeria is one of the poorest and most unequal countries in the world, with over 80 million or 64% of her population living below poverty line. The situation has not changed over the decades, but is increasing. Poverty and hunger have remained high in rural areas, remote communities and among female –headed households and these cut across the six geo-political zones, with prevalence ranging from approximately 46.9 percent in

the South West to 74.3 percent in North West and North East”. “In Nigeria, 37% of children under five years old were stunted, 18 percent wasted, 29% underweight and overall, only 10% of children aged 6-23 months are fed appropriately based on recommended infant and young children feeding practices. “Youth unemployment which was 42% in 2016 is very high, creating poverty, helplessness, despair and easy target for crime and terrorism. Over 10 million children of school age are out of schools with no knowledge and skills. A vast majority of the global poor live in rural areas and are poorly educated, mostly employed in the agricultural sector, and over half are under 18 years of age”.

Vanguard (2016) reported that The National Bureau of Statistics (NBS) stated that the country’s unemployment rate has increased from 13.3 per cent in the 2nd quarter to 13.9 per cent in the 3rd quarter of 2016. This is contained in the Unemployment/Under-employment Report for 3rd Quarter of 2016, released by the NBS on Friday in Abuja. The report stated that the number of unemployed in the labour force increased by 555,311 persons. According to the report, the underemployment rate rose from 19.3 per cent in the second quarter to 19.7 per cent in the third quarter. The report said that unemployment covered persons (aged 15–64) who during the reference period were currently available for work, actively seeking for work but were without work. Underemployment, however, occurs when a person works less than full time hours, which is 40 hours, but work at least 20 hours on average a week. It explained that underemployment could also happen if a person works full time but are engaged in an activity that underutilizes his skills, time and educational qualifications. According to the report, there is eight consecutive rise in the unemployment rate since 4th quarter of 2014.

The World Bank (2016) has it that in 2013, 10.7 percent of the world’s population lived on less than US\$1.90 a day, compared to 12.4 percent in 2012, that is down from 35 percent in 1990. This means that, in 2013, 767 million people lived on less than \$1.90 a day, down from 881 million in 2012 and 1.85 billion in 1990. While poverty rates have declined in all regions, progress has been uneven, the reduction in extreme poverty between 2012 and 2013 was mainly driven by East Asia and Pacific (71 million fewer poor) –notably China and Indonesia—and South Asia (37 million fewer poor)—notably India. Half of the extreme poor live in Sub-Saharan Africa. The number of poor in the region fell only by 4 million with 389 million people living on less than US\$1.90 a day in 2013, more than all the other regions combined.

Nigeria Insight (2014) reported that The National Bureau of Statistics (NBS) stated that a staggering 112.519 million Nigerians live in relative poverty conditions is disturbing. This figure represents 69 per cent of the country’s total population estimated to be 163 million. More worrisome is the fact that the poverty rate is rising at a time the Gross Domestic Product (GDP) growth rate is rising at 7.75 per cent. We deplored the increasing poverty level in the country as shown by the survey. It is a pity that many Nigerians are living below the poverty line in an oil-rich country. The paradox is that while a privileged few Nigerians are living in opulence, the majority are wallowing in abject poverty.

Eke (2016), in his report on Ripples Nigeria, stated that Fitch International revealed that the poverty rate in Nigeria has reached its all-time high of 72% by August 2016 and that the unemployment level has equally increased due to the bad situation of the country as more than 55% youths are either unemployed or underemployed.

(ILO 2007) defines unemployment as when people are unable to secure a job within the space of past four weeks they have sought for it. (Nigerian National Bureau of Statistics 2006) like most countries in the world now uses a variant of the ILO definition such that the unemployment is the proportion of those in the labour force (not in the entire economic active population, nor the entire Nigerian population) who were actively looking for work but could not find work for at least 20 hours during the reference period to the total currently active (labour force) population.

According to Ugwu (2009) in World Bank report (2006), it is expected that as an economy grows, there will be an improvement in the life of the citizen of the nation; one would see a sinking effect as an improvement in the welfare of its citizenry. This means that as the economy of a nation experiences growth, the growth ordinarily should transcend in improving the standard of the living of the citizen especially in the area of employment opportunities and poverty alleviation.

Egunjobi (2014) in his paper stated that Poverty may be a function of unemployment, for it is expected that unemployment brings about poverty, when people are unemployed, they don't earn income and are bound to be deprived of providing for themselves and their family the basic necessities of life thus higher rates of unemployment may lead to higher level of poverty.

Based on the menace of unemployment and poverty that the nation has faced for years, government in a bid to ameliorate these challenges established some programs and institutions to help alleviate poverty and engage unemployed persons. Some of the programs are:

- Establishment of the National Directorate Of Employment (NDE)
- Establishment of the Family Economic Advancement Program (FEAP)
- Structural Adjustment Programme (SAP)
- Establishment of the Family Support Program
- Nigeria Agricultural, Cooperative and Rural Development Bank
- Cooperative and Rural Development Bank
- National Poverty Eradication Programme (NAPEP)
- The Subsidy Reinvestment and Empowerment Program known (SURE-P)
- Seven point agenda
- The Youth Enterprise with Innovation in Nigeria (You WiN)
- Vision 20:20 etc

Despite all these intervention programmes and agencies, poverty and unemployment rate have been on the increase. The improvement in the economy of Nigeria should result in creating employment opportunities to reduce unemployment level thereby alleviating poverty. Axiomatically, output can increase through the engagement of labour. And as output increases, more ancilliary employment opportunities would be created, leading to a fall in unemployment. Similarly, as output increases, the purchasing power/capability will rise, making more persons to move out of poverty. Expectedly, therefore, an expansionary economy should result in the declining of unemployment and poverty.

The aim of this paper, therefore, is to analyse the judgmental relationship between economic growth of Nigeria on Unemployment and Poverty. Many researchers have dwelt on the impact of Unemployment and Poverty on the economy of Nigeria. However, to the best of our knowledge, not much research attention has been given to the judgmental ironical puzzle agitating the minds of citizens concerning the de-linking of increase in GDP makes on reducing Unemployment and alleviating Poverty level of the nation. This study is therefore an attempt to fill this gap by using a descriptive analysis to determine the impact of economic growth on unemployment and poverty in Nigeria.

The remaining part of this study is divided into four sections, the second section two deals with the theoretical framework and literature review, while section three discusses the methodology. The fourth section resides the results and analyses of same, while the fifth and last section provides the discussions, conclusion and policy recommendation.

### **Theoretical Framework and Review of Previous Studies**

The above head is discussed under the following subsections:

#### **Theoretical Framework**

There are different opinions by researchers in economics on the theoretical bases of unemployment and poverty. The theories to be used here are in line with the ones used by Ogbeide and Agu (2015) and Asaju et al. (2014) and also the ones applicable in our country.

#### **Individual/Cultural Theory of Poverty**

The major proponent of this theory is Oscar Lewis in 1966. The theory believes that the individuals are the cause of their poor state. This theory purports that individuals are poor because poverty is inbuilt in them, they inherited it. And also due to their behavior, they are unable to get themselves out of the poverty state. This can be seen in our society today, some tribes/persons are known to be lazy, they don't have urge for opportunities that can better their lives, they believe in already made wealth, this they transfer to their children which continue to re-occur among them and their generations.

#### **Structural/Economic Theory of Poverty**

This theory is of the view that some are poor not because they want to be poor but due to the situation of the economy in which they find themselves. For instance, this theory explains what is obtainable in some of the developing countries like Nigeria, where they are a lot of people who have all it takes to work but are unable to work. Thus an individual is poor not because he is not hard working but does not have the opportunity to work. He is made poor as a result of the economic system that denied him his share of the income and inequitable distribution of income.

#### **The Keynesian theory of unemployment theory**

This theory can as well be called the cyclical or deficient-demand unemployment. The cyclical or Keynesian economists are of the opinion that unemployment occurs when there is not enough aggregate demand in the economy to provide job for everyone who wants to be engaged in employment. This is to say that when demand for goods and services reduced production for that particular product will also reduce thereby reducing the income generated from the sale of the goods. When this happens, end effect will be reduction in the income which from which wages is been paid. And when there is no enough wages to pay workers, retrenchment and inability to employ at all takes place which result to unemployment. This theory can be linked to what is presently happening in Nigeria where oil companies lay off some of their staff due to shortage in demand of oil products by patronizing countries. Asaju et al(2014) opines that The Keynesian economists went on to argue that the number of unemployed workers exceeds the number of job vacancies, so that even if full employment were achieved and all open jobs were filled, some workers would still remain unemployed due to some mismatch in the economy.

## **Review of Related Literature**

Oloni (2013), examine the impact economic growth in Nigeria has on employment generation. The Johansen vector- Error correction model was used in his investigation. His findings reveal that, although economic growth had positive relationship with employment, the relationship is not significant. He concluded that the growth in Nigeria does not support employment. Sodipe and Ogunrinola (2011) examine the employment and economic growth relationships in the Nigerian economy. Simple model of employment was formulated and estimated using the Ordinary Least Squares technique before and after the time series data used for the study were corrected for non-stationarity using Hodrick-Prescott filter. The result of their econometric analysis shows that a positive and statistically significant relationship exists between employment level and economic growth in Nigeria while a negative relationship was observed between employment growth rate and the GDP growth rate in the economy.

Swane and Vistrand (2006) examine the relationship between GDP and growth of employment in Sweden. Their result reveals that there is a strongly positive relationship between employment and GDP.

Sulaimon (2015) in his paper ‘An Investigation of Socio-Economic effect of Unemployment on Nigeria Economy: A study of Bariga Local government Area in Lagos State’ concludes that unemployment among youths is high in Nigeria with the tendency of causing pervasive poverty, youth uneasiness, high rate of social vices and criminal activities if not controlled.

Saad and Suryati (2009) examine the effect of real Gross Domestic Product (GDP) on unemployment in Nigeria. The study considers the period 1977 to 2011 to analyse the long run and shot run relationship between real gross domestic product and unemployment in Nigeria, with unemployment as a dependent variable. Besides the main variables for their study, other control variables particularly inflation was included in the model. They stud used Autoregressive Distributed Lag (ARDL) Model to test for ARDL- bound co-integration test, the long run and the Error Correction Model (ECM). The co-integration bound test results showed that the variables are co-integrated at 5% level. The results revealed a positive relationship between unemployment and real GDP in Nigeria both in the short run and in the long run.

Mbah and Agu (2013) in their study ‘The Effectiveness of Government Employment Policies in Nigeria’ shows that employment policies of successive governments were not yet adapted to achieving full employment.

Ugwu (2009) in his study reveals that Nigerian economy has recorded a rising growth in its GDP especially over the last decades but has not translated into accelerated employment and reduction in poverty among its citizens.

Osunubi (2006) in his paper “Nigeria Economic growth, unemployment and poverty” reveals that economic growth has not all times followed by reduction in unemployment and poverty.

## **MATERIALS AND METHODS**

This section is discussed under the following sub – sections:

### **Data and Variables Description**

This paper is descriptive; its study utilizes qualitative research techniques to analyse the impact of Economic growth on Unemployment and Poverty. It uses secondary sources of data such as Text Books, Journals, Magazines, Newspapers and the Internet. Conclusions and useful policy recommendations were made based on the above descriptive designs.

**Table 1: Gross Domestic Product (GDP), Unemployment Rate and Poverty in Nigeria over the period of 1981 to 2016**

| Year | UMPR  | PVR   | RGDP      | GDPGR    |
|------|-------|-------|-----------|----------|
|      | %     | %     | N'Billion | %        |
| 1981 | 4.1   | 27.2  | 15,258.00 | 0.942776 |
| 1982 | 4.2   | 26.8  | 14,985.08 | -1.78874 |
| 1983 | 5.3   | 36.4  | 13,849.73 | -7.57656 |
| 1984 | 7.9   | 37    | 13,779.26 | -0.50882 |
| 1985 | 6.1   | 46.3  | 14,953.91 | 8.524826 |
| 1986 | 5.3   | 49.26 | 15,237.99 | 1.899665 |
| 1987 | 7     | 54.1  | 15,263.93 | 0.170244 |
| 1988 | 5.1   | 58.94 | 16,215.37 | 6.233269 |
| 1989 | 4.1   | 63.78 | 17,294.68 | 6.656061 |
| 1990 | 3.5   | 68.62 | 19,305.63 | 11.62761 |
| 1991 | 3.1   | 63.46 | 19,199.06 | -0.55203 |
| 1992 | 3.5   | 42.7  | 19,620.19 | 2.193493 |
| 1993 | 3.4   | 54.74 | 19,927.99 | 1.568807 |
| 1994 | 3.2   | 53.63 | 19,979.12 | 0.256575 |
| 1995 | 1.9   | 52.53 | 20,353.20 | 1.872348 |
| 1996 | 2.8   | 65.5  | 21,177.92 | 4.052034 |
| 1997 | 3.4   | 54.41 | 21,789.10 | 2.885916 |
| 1998 | 3.5   | 53.68 | 22,332.87 | 2.495602 |
| 1999 | 17.5  | 52.96 | 22,449.41 | 0.521844 |
| 2000 | 18.1  | 52.23 | 23,688.28 | 5.5185   |
| 2001 | 13.7  | 51.51 | 25,267.54 | 6.666848 |
| 2002 | 12.2  | 57    | 28,957.71 | 14.60438 |
| 2003 | 14.8  | 64.2  | 31,709.45 | 9.502606 |
| 2004 | 11.8  | 54.4  | 35,020.55 | 10.442   |
| 2005 | 11.9  | 80    | 37,474.95 | 7.008457 |
| 2006 | 13.4  | 72.92 | 39,995.50 | 6.725974 |
| 2007 | 14.6  | 76.42 | 42,922.41 | 7.318081 |
| 2008 | 15.9  | 79.93 | 46,012.52 | 7.199287 |
| 2009 | 19.7  | 62.6  | 49,856.10 | 8.353344 |
| 2010 | 5.09  | 69    | 54,612.26 | 9.539786 |
| 2011 | 5.96  | 74.1  | 57,511.04 | 5.307924 |
| 2012 | 10.57 | 75.03 | 59,929.89 | 4.20589  |
| 2013 | 9.96  | 75.96 | 63,218.72 | 5.487793 |
| 2014 | 7.84  | 76.89 | 67,152.79 | 6.222942 |
| 2015 | 9     | 77.82 | 69,023.93 | 2.786398 |
| 2016 | 12.1  | 72    |           | -1.5     |

Sources: Central Bank of Nigeria Statistical Bulletin (2015), World Bank, IMF World

Economic Outlook 2016, Index Mundi and Knoemia

### Operationalized Variables

Gross Domestic Product represents the market value of goods and services at any point in time, while the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force and poverty rate using the relative poverty line is the line that separates the poor from the non-poor. All persons whose per capita expenditure is less than the line range is considered to be poor while those above the stated amount range are considered to be non-poor.

## **Statistical Techniques**

The following statistical techniques will be applied to enable the normative analysis of Economic growth on unemployment and poverty in Nigeria.

- Mean: The mean is the average of the data. It used to identify the level of severity of the answer to the sample of the study`
- Line graph: This is use to get the trend of the data.
- Maximum number: The maximum is the largest data value. One of the simplest ways to assess the spread of your data is to compare the minimum and maximum. If the maximum value is very high, even when you consider the center, the spread, and the shape of the data, investigate the cause of the extreme value.
- Minimum number: The minimum is the smallest data value. . If the minimum value is very low, investigate the cause of the extreme value and if the low value is desired, investigate and know the cause in order to work towards sustenance and it maintenance.
- Standard Deviation: The standard deviation is the most common measure of dispersion, or how spread out the data is about the mean. It is used to determine how spread out the data is from the mean.
- Skewness: This is the extent to which the data are not symmetrical.
- Kurtosis: This indicates how the peak and tails of a distribution differ from the normal distribution. We use kurtosis to initially understand general characteristics about the distribution of your data.
- Jarque Bera: This is used for testing normality distribution of residuals
- Probability: Subjective interpretation. A probability describes the ‘degree of belief that a certain character is true’, i.e., the probability describes the degree of belief we have that the coin will land heads before we toss it.

## **The Analysis**

### **Historical Analysis**

It is recorded that the Nigerian economy has witnessed relatively high GDP growth rate of approximately 6.82% between the period 2000 and 2013; making it one of the fastest growing African economies. On the other hand, welfare of Nigerians has not improved, considering the associated high poverty rate with over 60 percent of the population living below poverty line; and an associated rising rate of unemployment that is over 19percent. Evidently, Nigeria can be characterized among developing economies facing the paradox of growth with rising unemployment and deepening poverty rate.

From the above trend description, real GDP grew at average rates of 1.9%, 9.2% and 6.5% over the periods of 1991-2000, 2001-2010 and 2011-2014 respectively. This validates that the Nigerian economy has recorded a slightly moderate but rising growth rates. Unfortunately, the slightly impressive economic growth rate has not been accompanied by decreased unemployment and poverty rates.

A cursory look at the unemployment trend reveals that unemployment rate has assumed an upward trend, rising from an average of 6.042percent between 1991 and 2000 to 8.58percent over the period of 2011-2016. Similarly, the volatility of human welfare has worsened over time in spite of the persistent rise in economic growth. Poverty rate rose from 46.3percent in 1985 to 65.5 in 1996 and further to 77.82percent in 2015.

From economic theory, sustained economic growth is expected to lead to improved welfare; however, the Nigerian situation runs contrary to this axiom; with unstable growth rate.

### Descriptive Analysis

The essence of performing descriptive analysis is to determine the historical properties of the variables. The results are presented in the table 2

The mean measures the dispersion in a distribution which shows by how much on average each item in the distribution differs in value from the arithmetic mean (mean from the descriptive analysis result) of the distribution. The mean for GDP growth rate is 4.3357365, 8.375556 for Unemployment rate then 59.27833 for Poverty rate. From the data in table 1 above, the GDP growth rate is higher than the GDP growth rate mean of 4.3357365 in year 1985, 1988 -1990, 2001-2011, and 2013 -2015. This shows a favorable result, whereas other years that the reverse is the case indicates an unfavorable result. For the Poverty rate, the rate from the data in table 1 is higher (unfavorable) from 1981-1986 and 1992. There is same unfavorable result for Unemployment from 1999-2009, 2012-2013 and 2015-2016.

**Table 2: Descriptive Statistic**

|                     | GDPGR     | UMPR     | PVR       |
|---------------------|-----------|----------|-----------|
| <b>Mean</b>         | 4.357365  | 8.375556 | 59.27833  |
| <b>Median</b>       | 4.756907  | 6.550000 | 57.97000  |
| <b>Maximum</b>      | 14.60438  | 19.70000 | 80.00000  |
| <b>Minimum</b>      | -7.576560 | 1.900000 | 26.80000  |
| <b>Std. Dev.</b>    | 4.433854  | 5.107346 | 14.34014  |
| <b>Skewness</b>     | -0.153290 | 0.617044 | -0.461643 |
| <b>Kurtosis</b>     | 3.241398  | 2.137244 | 2.609188  |
| <b>Jarque-Bera</b>  | 0.228397  | 3.400978 | 1.507785  |
| <b>Probability</b>  | 0.892081  | 0.182594 | 0.470532  |
| <b>Sum</b>          | 156.8651  | 301.5200 | 2134.020  |
| <b>Sum Sq. Dev.</b> | 688.0672  | 912.9743 | 7197.382  |
| <b>Observations</b> | 36        | 36       | 36        |

*Source: Authors Computations using E-Views 9.*

**Standard Deviation:** This is the most common measure of dispersion, or how spread out the data is about the mean. It is used to determine how spread out the data is from the mean. The standard deviation of GDP growth rate, Unemployment rate and Poverty rate are 4.433854, 5.107346 and 14.34014 respectively.

The analyses of descriptive statistic of the variables reveal different degrees of skewness and kurtosis. The descriptive statistic of GDP growth rate and poverty rate are negatively skewed which implies that they have long left tails, unemployment rate is positively skewed; which means that the distributions have long right tails. It is vital to note that skewness is a measure of how symmetric or asymmetric data is. Skewness value greater than 1 is the degree to which the data is skewed in the positive direction, likewise, a value less than -1 is the degree to which the data is skewed in the negative direction. A skewness value between -1 and +1 implies symmetry.

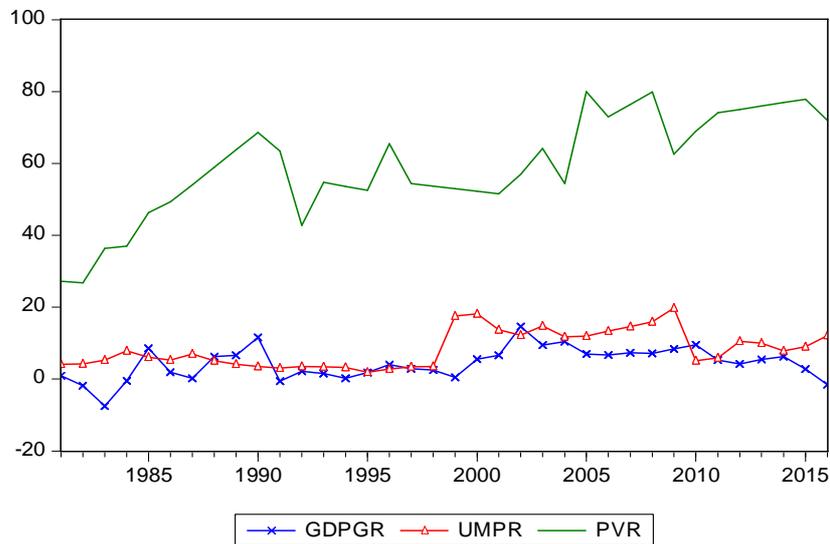
The maximum values of the sample are 14.60438 for GDP growth rate in 2002, 19.70000 for unemployment rate in 2009, and 80percent in 2005 for poverty rate. On the other hand, the minimum values of the series in the sample are - 7.576560 for GDP growth rate in 1983, 1.900000 for unemployment rate in 1995, 26.80000 for poverty rate in 1982.

The Kurtosis statistic measures the peakness or flatness of the distribution of each of the series is computed at 3.241398 for GDP growth rate, 2.137244 for unemployment rate, 2.609188 for poverty rate. As a rule, the Kurtosis of the

normal distribution is 3. If the Kurtosis exceeds 3, the distribution is peaked (i.e. leptokurtic) compared to the normal. If the Kurtosis is less than 3 the distribution is flat (i.e. platykurtic) relative to the normal.

In addition, the Jarque-Bera (JB) statistic is used for testing normality distribution of residuals. In other words, JB statistics measures the difference of skewness and kurtosis of the series with those from the normal distribution. The computation, obtained Jarque-Bera (JB) statistic with a probability value of 0.892081 for GDP growth rate, 0.182594 for unemployment rate and 0.470532 for poverty rate respectively. Under the null hypothesis of residual normal distribution, the Jarque-Bera (JB) statistics follows the 5 percent level of significance; therefore, from the Jarque-Bera (JB) statistic computed, interestingly, the probability values of all the variables were not significant. Therefore, we cannot reject the hypothesis of normal distribution at the 5 percent level of significance. Hence, the residuals of all the variables are normally distributed.

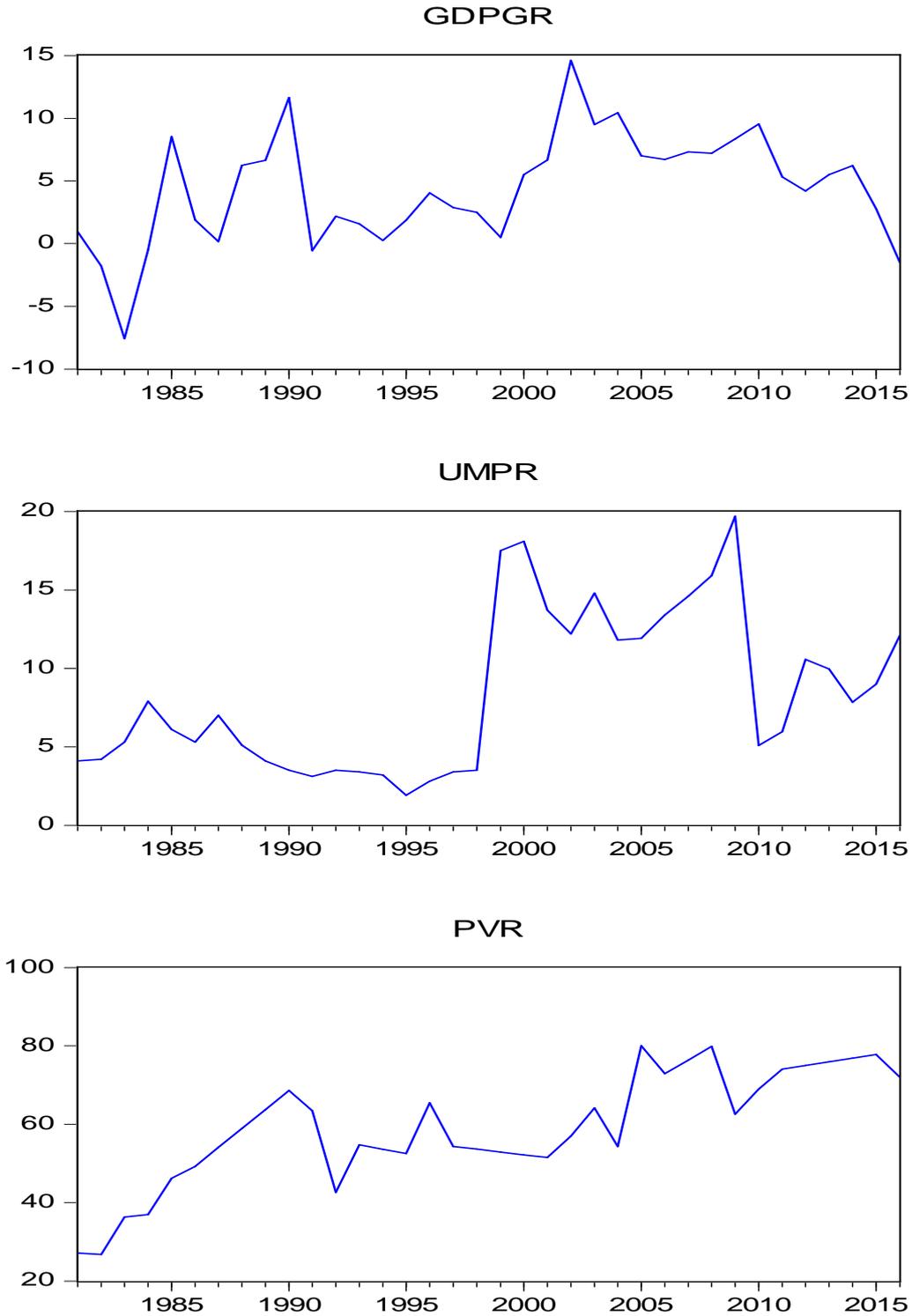
**Line Graphs**



Source: Authors Computations using E-Views 9.

**Figure 1**

The probability measures the degree of belief that a certain character is true, i.e., the probability describes the degree of belief we have that the coin will land heads before we toss it. From the descriptive result obtained from E-view analysis, the probability obtained for GDP, Unemployment and Poverty is 0.89, 0.18, and 0.47 respectively. But from the data gathered from Central Bank of Nigeria statistical bulletin, probability for GDP, Unemployment and Poverty in 2015 for instance is 3%, 77% and 9% respectively. This shows that the secondary data obtained might not really be the actual figures of the variables.



Source: Authors Computations using E-Views 9.

**Figure 2**

From the above graph, it can be deduced that increase in Gross Domestic Product growth rate has not resulted to a corresponding decrease in unemployment rate and poverty rate in Nigeria. For instance, GDP increased from N13,779.26 billion in 1984 to N14,953 billion in 1985 giving a percentage increase of 8.5%, this did not reflect in the Poverty rate reduction as it increased from 37% to 46.3%. The increase in GDP gave resulted to decrease in Unemployment rate from

7.9% in 1984 to 6.1% in 1985. The same is observed between 1989–1990. In 1989 GDP increased from N17, 294.68 billion to N19, 305.63 in 1990 giving an increase of 11.6%. The increase did not reduce poverty rate which rose from 63.8% in 1989 to 68.6% in 1990. The effect was felt in Unemployment rate though not at the same rate, Unemployment reduced from 4.1% in 1989 to 3.5% in 1990. This trend remained the same for the years apart from some few years like 2006–2009 where the increase in GDP rate did result to increase in Poverty rate and Unemployment rate. This result is against apriori expectation.

## **DISCUSSIONS, CONCLUSIONS AND POLICY RECOMMENDATIONS**

The results of this study have clear implication on the Nigeria's economy generally especially when it is realized that against apriori, Nigeria economic growth potentials does not impressively reflect in the level of unemployment and poverty rates. As seen from the result from the line graph, as the GDP growth rate increases, the increase supposed to bring about reduction in poverty and unemployment rate. This can be supported by the result of mean where a lot of deviations were observed from the arithmetic mean. The implication directly reveals that there is lack of adequate commitment to the course of the unemployment and poverty reduction ( some unemployment and poverty alleviation programs initiated in the past fail to meet their set objectives), lack of transparency; absence of enabling environment; inadequate funding, corruption etc.

Policy makers should direct Nigeria's growth episode towards adequate employment generation and fasten the pace of poverty reduction in Nigeria.

From the findings of this study, it is concluded that against expectation, Nigeria economic potentials does not remarkably reflect in the level of unemployment and poverty reduction.

In the light of the above conclusions, it is recommended that;

- The government should embark on job creation drive (focusing on areas like agriculture, entrepreneur empowerment, industrialization, etc) to ensure that majority of the citizens are gainfully employed and the high rate of poverty in the land is as a result of high number of unemployment. This can be done by providing environment that will attract capital and investment, the government does not necessary create jobs but does aid the private sector in making job creation possible and imminent.
- Policies that should have direct impact on the citizens should be embarked upon by the Federal government in order to reduce poverty and unemployment level in Nigeria.
- Corruption control measures should be put in place to ensure that there is no diversion of funds which might be one of the reasons of the failure of the increase in revenue generation not to bring about decrease in poverty and unemployment level in the country.

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