

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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