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Original Research Article

Finance, development and growth in Nigeria: Obstacles, steps adopted and DOHA recommendation

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Abstract

The definitions of both economic growth and economic development are related and show that a nation cannot achieve economic development without having achieved economic growth. A close relationship is said to exist between the three variables: economic growth, economic development and financial development (Kehinde and Adejuwon, 2011). There are many factors determining growth which were divided into demand and supply sides in economics. Nigeria as one of the developing countries in Africa, despite the fact that the country is one of the richest and most populous countries in the continent has relatively low life expectancy at 50 years, and even negative relationships between economic growth and growth variables from empirical studies. These are seen as indication of low level of development in the country despite its rich resources. This paper therefore used analytical technique and descriptive statistics to examine some of the reasons for low economic growth/development in Nigeria using secondary data from World Bank, and Central Bank (CBN). A deepening poverty; corruption, unemployment, poor infrastructures, inadequate capacity for socio-economic management; poor leadership, a low per capita income and others were found existing as obstacles to growth. The steps already taken by the country for development were identified as banking reform, poverty alleviation programmes and others. However, recommendations were made for better economic growth of the economy based on the causes of low growth of the country like corruption, fluctuating real GDP, poverty, poor governance and others and the recommendations of DOHA International Conference for development.

Keywords: Development, Economic growth, Financial reform, GDP, Nigeria

INTRODUCTION

Purpose of the paper

Nigeria is one of the developing countries in Africa and the most populous African country with high population of about 140 million people representing about 20% of the entire African population. The country is also one of the world's top eight producers of crude oil but, despite this, the country has low level of economic development. The position of the country makes it somehow necessary to examine the reasons for the low growth rate within the economy despite Nigeria's natural wealth.

Financial indicators are just one of the many potential determinants of economic growth and various studies in Africa and worldwide have confirmed relationship between financial sector development and economic growth. Kehinde and Adejuwon (2011:323) examined the importance of financial institutions to the economic development of Nigeria. According to Kehinde and Adejuwon (2011:325) the recognition of financial systems important role in economic development dated back to

Schumpeter (1911), Goldsmith (1955), Cameron (1967), McKinnon (1973) Shaw (1973), Fry, (1988) and King and Levine, (1993), enumerated by Kehinde and Adejuwon 2011) which demonstrated that the financial sector could be a catalyst of economic growth if it is developed and healthy.

Statement of Problem and Justification for the Study

This study is considered necessary because various empirical studies revealed positive relationship between financial development and economic growth in some developing countries like South Africa, Namibia, Botswana (Ashpala and Haimbod, 2003) but, in the context of Nigerian economy, the study by Ayogu (2000) revealed negative relationship as public investment retard economic growth. So, while the previous studies (Nnanna and Dogo, 1998; Olofin and Afangideh, 2008; Nzotta and Okereke, 2009; Kehinde and Adejuwon, 2011; etc) focused extensively on the relationship between economic growth and financial development, this study examined the reasons for the negative relationship between growth/development variables and economic growth in Nigeria. This is, by identifying the reasons for the problems of economic growth in Nigeria and highlighting the recommendations for solving the problems. This study therefore provided answers to the following questions: Why is Nigeria having low economic development or negative relationship between development variables and growth that are positive in other countries? What steps have been taken by the country to ameliorate the obstacles to growth? How can the problems be solved from global perspective?

The objectives of this study are therefore to: highlight the determinants of economic growth/development; identify the factors for low growth rate in Nigeria; enumerate the steps already taken by the country and suggest recommendations for growth of the country through a review of the suggestions from DOHA International Conference.

Thus, this paper will provide policy makers with the steps the country can take or the policies to put in place in order to remove the obstacles to economic growth in the country with emphasis on the recommendations from DOHA International Conference for Development. This study will also be of help to other African countries in finding solutions to their growth problem related to that of Nigeria.

Literature Review

Concepts of Finance, Economic Growth and Development

According to Governor of Central Bank of Nigeria (CBN): Sanusi Lamido (2011:1) generally, the financial system is more than just institutions that facilitate payments and extend credit but includes all functions that direct real resources to their ultimate user. It is called the central nervous system of a market economy and contains a number of separate codependent components which are essential for effective and efficient functioning of the system. The three major components are: (a) financial intermediaries such as banks and insurance companies acting as principal agents for assuming liabilities and acquiring claims; (b) the markets in which financial assets are exchanged, and (c) the infrastructural component, which is necessary for the effective interaction of intermediaries and markets.

The governor of CBN further stressed that the three components are closely linked as the banks need payments system infrastructure to exchange claims securely and markets in which to hedge the risks arising from their intermediation activities. The banking system therefore functions more efficiently and effectively when there is a robust and efficient payments system infrastructure. The concern to ensure a sound banking system through proactive reforms by the Central Bank is emphasized by the critical role of banks in national economic development. This is because banking system, mobilizes savings for investment purposes, the productive sector of the economy relies heavily on the banking sector for credit, and government also raises funds through the banking system to finance its developmental programmes and strategic objectives all which further generate growth and employment objectives (Sanusi, 2011).

A distinction between growth and development is necessary to understand the nature of disappointment in the expected characteristic of many developing nations.

Economic Growth is said to occur if an increase in an economy's productive capacity, sustained over a reasonable period of time, leads to a greater output of goods and services in the economy as a whole to the extent that there are more goods and services available per person on the average (Olajide, 2004:4). Economic Growth could then be defined as a sustained increase in the country's major macroeconomic variables that is, the Gross Domestic Product (GDP) or increase in per capita income accompanied by an expansion in its labour force, consumption, capital, government spending, investment, and volume of trade (Olajide, 2004). According to Tejvan, (2011) Economic growth is an increase in real GDP meaning an increase in the value of goods and services produced in an economy. The rate of economic growth is measured by the annual percentage increase in real GDP (Tejvan, 2011:2).

According to Olajide (2004:5) *Economic development* on the other hand is the process whereby the real per capita income increases over a long period of time. Also, Dudley Seers (1982 cited in Olajide, 2004: 4) however sees development from the standpoint of what has been happening to poverty, unemployment and inequality over time. Where there is reduction in the three variables in an economy from high level, then the country could be said to be experiencing development (Olajide, 2004). The consideration of economic development emphasised the sources of growth.

Growth on a general term could be confined to increase in output (per unit of input) while development implies increase in output together with a change in technical and institutional arrangement involved in production. Growth can take place without development but, a nation cannot achieve economic development without having achieved economic growth. Thus, economic growth is a subset of economic development as economic development is not purely an economic phenomenon. The definition above shows that economic growth and economic development are related and represent challenge for many countries in the world.

The relationship between financial developments and economic growth models is concerned with the sense that financial market will raise savings, investments and hence the growth rates. The mechanisms through which financial markets influence economic growth are: efficient resource allocation and information channel, used in monitoring of managerial performance.Based on the relationship between Finance, Growth and Development, this study examined the determinants of economic growth and development generally.

Determinants of Economic Growth/Development:

One of the major factors affecting economic growth or development from the definition above is Increase in real Gross Domestic Product (GDP) which means an increase in the value of goods and services produced in an economy will mean higher economic growth.

According to Economics Blog by Tejvan (2011:1) there are many factors affecting economic growth, from economics point of view which could be divided into demand and supply factors. The Demand Side Factors Influence Growth of Aggregate Demand (AD) where a rise in Consumption, Investment, Government spending or net exports(X-M) can lead to higher AD and higher economic growth that is, AD= C+I+G+X-M. Thus, aggregate demand is determined by: interest rates, consumer confidence, real wages, value of exchange rate and banking sector (Tejvan, 2011). The determinants of development are generally explained below:

1. Interest Rate: Lower interest rates would make borrowing cheaper and encourage firms to invest and consumers to spend. However, if there is zero interest rate, but low confidence and reluctant banks growth, it may result to slow or sluggish increase in AD.

2. Consumer and business Confidence is important determinant of economic growth because, if consumers are confident about the future they will be encouraged to borrow and spend but if not they will save and reduce spending.

3. Inflation: Rising inflation: leading to two effects in particular namely falling real incomes and profits together with higher costs. If inflation is higher than nominal wage, causing a decline in real incomes (Real Wages) consumers will cut spending.

4. Exchange Rate: A decrease in exchange rate that is, devaluation of a country’s currency, will make imports more expensive thereby helping to increase demand for domestic goods and services. Depreciation could cause inflation, but in the short term at least it can provide a boost to growth. If Banking Sector loses money and banks are not willing to lend, it can reduce investment.

On the Supply side, the factors influencing Long Run Aggregate Supply (LRAS) will determine long run economic growth. If there is no increase in LRAS, then a rise in AD will just be inflationary. However, an increase in LRAS and AD will lead to an increase in economic growth without inflation. LRAS can be influenced by levels of infrastructure, human capital, Technological development, commodity prices, political instability and fiscal policy (Tejvan, 2011).

5. Levels of infrastructure: Investment in roads, transport and communication, power and water supplies can help firms reduce costs and expand production. The lack of infrastructure is often a factor holding back some developing economies (Tejvan, (2011:2). Geoff (2012:65) Poor infrastructure hampers growth because it causes higher supply costs and delays for businesses; reduces the mobility of labour and affects the ability of exporters to get their products to international markets. So, most scholars believe that increase in government expenditure on socio-economic and physical infrastructures encourages economic growth (Ewe-ghee, 2001;Lumbia, 2005; Nurudeen and Usman, 2010;)

6. Human Capital: Human capital is the productivity of workers which will be determined by levels of education, training and motivation. Increased labour productivity can help firms take on more sophisticated production processes and become more efficient leading to growth of the economy(Lumbia (2005) and Tejvan, (2011:2).Chronic government failure like failures to provide basic and effective public services such as education, health and transport hamper growth and development (Geoff, 2012:65).

7. Development of Technology: In the long run, development of new technology is a key factor in enabling improved productivity and higher economic growth. While *corruption* and *Commodity Prices*could cause a shock to growth because a rise in commodity prices can reduce short run aggregate supply thereby leading to higher inflation and lower growth. (Tejvan, (2011:2)

8. Political Instability: Political instability can lead to negative economic growth due to: Lower government spending (tight fiscal policy) or high leadership turnover (Asiedu, 2005 and Tejvan, 2011)

According to Geoff (2012:65) other factors that can limit growth and development include:

9. Poverty, Low national and absolute savings (savings gap):Savings are needed to provide finance for capital investment. High poverty level will reduce savings needed for investment thereby increasing reliance on overseas borrowing or tied aid.

10. Persistent trade deficits due to rising imports and Dependence on limited exports: High trade deficits reduce growth as it might have to be covered by foreign borrowing (increasing external debt) or a reliance on inflows of capital investment from overseas multinationals.

11. Limited financial markets: Many of the least developed countries have limited financial markets such as banking, money and credit systems, insurance and stock markets. Access to affordable financial services is linked to overcoming poverty. The empirical study revealed evidence that countries with a more developed financial sector are better able to nullify the negative effects of policy uncertainty on growth.

12. Business management: When equipment is not looked after, materials are wasted, theft is common because inventory is not monitored and defects keep occurring.

13. Capital flight which is the uncertain and rapid movement of large sums of money out of a country will lead to lower growth rate.

14. Conflict, corruption and poor governance: Governance refers to how a country is run and whether the authority could manage scarce resources well to improve economic outcomes and the quality of life for a country's people. Most developing countries are unfortunate with the type of leaders they usually have: dishonest and corrupt leaders without focus and art of governance (Olajide, 2004). High levels of corruption and bureaucratic delays can harm growth by making domestic investors to invest overseas rather than at home. Corruption includes low transparency of where tax revenues come from, how the money is spent and is it equitably distributed? Corruption has long been a barrier to sustained growth and development in Africa. Conflict like civil war has had terrible consequences; over one third of economies in Africa have suffered some kind of warfare with the huge collateral damage effects whose reconstruction can take decades.

15. Income and Gender inequality and discrimination: Income inequality occurs when the gap between rich and poorer communities gets bigger resulting in many possible dangers. In many countries women are subject to deep-rooted cultural norms that prevent them from playing a full and active role in their economy which reduce economic growth.

METHODOLOGY

This section presents the approaches adopted in achieving the objectives of the study and their application. The section includes theoretical framework upon which the analysis is based, techniques of analysis and specific ways of addressing the issues raised, and presentation of the results based on application of the techniques.

Theoretical Framework

The study was based on the Endogenous Growth Theory. The theory emphasised the importance of financial intermediaries in enhancing economic growth through its influence on savings and investment decision. The theory equally shows that economic growth performance is related to financial development, technology and income distribution.

The theory emphasised that the degree to which the providers of capital to a firm can effectively monitor and influence how firms use that capital has ramifications on both savings and allocation decisions(Levine,2012). In principle, it is the role of the financial system to provide optimally designed contracts with the comparative advantage of financial intermediaries contain in the implementation and enforcement of these contracts.

Techniques of Analysis (Methodology)

This study used the GDP method and social indices like supply of infrastructural facilities to examine the growth of the country. The study is based on descriptive analytical technique and descriptive statistics (percentages, tables). The study is theoretical research based on review of secondary data obtained from World Bank, CIA Factbook, and report of DOHA international Conference for development based on Endogenous Growth Theory.

PRESENTATION OF THE RESULTS

Problems Hindering Economic Growth in Nigeria

The factors really affecting Nigerian economy growth are provided from various reports and studies on Nigerian National growth and development.

In Nigeria, despite country's natural wealth, the civilian government of Nigeria inherited problems of economic decline, deepening *poverty* and *inadequate capacity for socio-economic management*. Also, Nigeria has a relatively low life expectancy, at 50 years, a low per capita income, high level of unemployment and inadequate admission into higher institutions for youth with educational finance bellow internationally recommended percentage of annual budget (meaning low human capital). These are seen as indications of low level of development in the country despite its rich resources. The reasons could be examined as below.

United States Ambassador to Nigeria, Mr. Terence McCulley, pointed out *corruption*, poor economic growth, *erratic power supply* as well as non-functional public health and education systems as some challenges facing Nigeria and affecting its development. Other factors mentioned were *get-rich quick syndrome*, *religious intolerance* and *youth restiveness*. Also, he said: Nigeria faces many challenges in the area of *good governance*, economic growth, sustainable development, *erratic power generation and supply*, non-functional public health and education system from primary school to the university levels. He said this at the matriculation “Fall 2011” of American University of Nigeria, Yola, Adamawa State. He added that the social vices have affected the confidence of Nigerians and undermined the notion of public service.

The banking sector crisis

The Central Bank of Nigeria (CBN) governor: Prof. Chukma Soludo, a specialist in risk management, swung into action because barely a month after he took over the helm of affairs of the bank, a report was issued by an international organisation that only four Nigerian banks were strong. The report, which caused huge panic among Nigerians, prompted governor to appoint external auditors to examine the books of all the Banks. The reports of the special examination team carried out by Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Corporation revealed that almost 42% of the banks were in a critical situation.

In Nigeria, most of the banks had a low capital base, and were not also very efficient causing: poor mobilization and pooling of savings and the government to depend a lot on the foreign banks.Also, the world economy was hit by an unprecedented financial and economic crisis in 2007-2009 that resulted in a global recession which led to the collapse of many world-renowned financial institutions. In Nigeria, the economy was hit by the second round effect of the crisis as the *stock market collapsed by 70 per cen*t in 2008-2009 and many Nigerian banks sustained huge losses, particularly as a result of their exposure to the capital market and downstream oil and gas sector (Sanusi, 2011).

A holistic investigation into what went wrong in Nigeria leading to the banking crisis in 2008 found eight interrelated factors responsible (Sanusi, 2011). According to CBN governor: Sanusi Lamido, these were macroeconomic instability caused by large and sudden capital inflows, major failures in corporate governance at banks, lack of investor and consumer sophistication, inadequate disclosure and transparency about the financial position of banks, critical gaps in the regulatory framework and regulations, uneven supervision and enforcement, unstructured governance &management processes at the CBN and weaknesses in the business environment. These factors acted together brought the entire Nigerian financial system to the brink of collapse. We all know that a well-functioning financial system matters to everyone and to the economy at large. Considering determinants of growth discussed and the Endogenous Growth Theory the financial sector is very important in economic growth thus, the financial crisis led to low growth rate.

Despite the international aid for public investment in Nigeria and the oil boom finance of public investment, there is low level of economic growth due to financial and economic crisis hindering growth in country. However a reform in the banking sector has set improvement in banking sector in motion.

In Nigeria, *some of the economic crises hindering growth* have been in the area of qualitative improvement in labour, underutilised human resources, income inequality, vast unemployment, system of resource allocation in the interest of efficiency, high and increasing population and low level of industrialisation. Growth of output has not only been very low, and inadequate to prevent declining living standards. Indeed, per capita income for Nigerians was higher in 1975, but has reduced drastically leading to high level of poverty in the country.

Low Capital formation

This means low investment in both physical and human resources. In terms of finance, resource allocation to education has always been below the United Nations Educational Scientific and Cultural Organisation (UNESCO) recommended 26% of the budget. The problem of labour has been inadequate educational facilities for youth seeking admission into the university system as less than 35% of students seeking admission are admitted (Satope and Oladeji, 2012). Other problems are: acquiring information, enforcing contracts and transactions costs leading to non- completion of contracts awarded.

Population

Also, the population is estimated to have increased from 57 million in 1975 to about 104 million in 1997, over 140million in 2006 (over 167 million in 2013) while poverty is estimated to affect over 40 per cent, or some 60 million, of this populous country. This, in brief, is the challenge and key parameter that the new civilian Government of Nigeria had inherited, and aimed to overcome. With the recent return of democracy, and

Table 1. Nigeria GDP growth (annual %)

Year	GDP annual growth rate %	Year	GDP annual growth rate %	Year	GDP annual growth rate %
1960	-	1976	9.0	1997	2.7
1961	0.2	1977	6.0	1998	1.9
1962	4.1	1978	-5.8	1999	1.1
1963	8.6	1979	6.8	2000	5.4
1964	5.0	1980	4.2	2001	3.1
1965	4.9	1982	-0.2	2002	1.5
1966	-4.3	1983	-5.3	2003	10.3
1967	-15.7	1984	-4.8	2004	10.6
1968	-1.2	1985	9.7	2005	5.4
1969	24.2	1990	8.2	2006	6.2
1970	25.0	1991	4.8	2007	6.4
1971	14.2	1992	2.9	2008	6.0
1972	3.4	1993	2.2	2009	7.0
1973	5.4	1994	0.1	2010	8.7
1974	11.2	1995	2.5	2011	6.7
1975	-5.2	1996	4.3	2012	6.6
				2013	6.9

Data source: World Bank, World Development Indicators and tradingeconomics.com http://www. tradingeconomics.com/nigeria/gdp Annual percentage growth rate of GDP at market prices based on constant local currency.

civilian government, in Nigeria expectations are naturally high. High population growth rate without corresponding growth in capital formation is a major hindrance to growth.

Gross Domestic Product (GDP)

Historically, from 1961 until 2011, Nigeria GDP has been fluctuating over years reaching its peak during oil boom in 1970 as indicated in Table 1. (World Bank, 2012). From the definition of economic growth given earlier, the annual growth rate in GDP in Table 1. below means rate of economic growth in Nigeria was fluctuating below 25% except in 1970 (period of oil boom) when it was 25%. This shows low growth rate in Nigeria since the rate of economic growth measures the annual percentage increase in real GDP as GDP fluctuations have negative impact on long run growth.

Industrialisation

Better living standards resulting from Economic growth in Industrial nations are envied by people throghout the world thus, industrialisation is considered as a necessity for economic growth and development. Nigeria had been able to put a lot of policies for industrial development in place but despite all these policies Nigeria has not been able to make appreciable progress in industrial development. This was due to policy failure resulting from failure to carry relevant stakeholders along and leaders driven by desire to maintain political power. The high level of corruption has also led to the close down of most of the government enterprises thereby reducing the rate of industrial growth. Poor monitoring of investments, implementation of corporate governance and inefficient allocation of resources all influence the performance in various industries owned by the government and also keep capital from flowing to profitable investments.

Transportation System and Infrastructure Development

The current level of infrastructure deficit in the country is perhaps the major constraint towards growth and meeting the aspirations of Vision 20: 2020.This is because most of the roads in the various cities are in deplorable state, approximately 70 per cent of the 193,200km of roads in Nigeria are in poor condition (Sanusi, 2011).More than 50% of the roads are dilapidated; almost 90% of current inter-state movement are done by road because km of road per 100 sq. km of land was 21.2 when area km of rail per 100sq. km of land area stands at 0.4; 3505km of narrow gauge rail lines (Tables 2). Also, from system information collected from CIA Factbook Transportation system and infrastructure development Nigeria Roads are primary means of transportation but are largely in a state of disrepair Rail infrastructure remains in dilapidated state. Sea ports are currently concession to private sector (*CIA Factbook, Wikipedia, n.d.)*

According to enterprise surveys, over 60 per cent of the population lack access to electricity. A lot is spent on generators and other infrastructures. The conditions have posed a significant threat to economic growth of Nigeria.

Table 2. Development in Transportation System

Criteria	Nigeria
Land Area (sq. km)	910,770
GDP (2009)	$ 168.9bn
GDP per Capita PPP (2009)	$ 2,150.1
Road Network (km)	193,200
Road Density (km of road per 100 sq. km of land area)	21.2
Rail Network (km)	3,505
Rail Density (km of rail per 100 sq. km of land area)	0.4
Number of Airports	22
Number of Seaports	13
Cargo Throughput (Million tonnes) -(2008)	65

Source: World Bank Development Indicators; CIA World Factbook; Transnet, Nigerian Ports Authority http://en.wikipedia.org/wiki/List_of_airports_by_ICAO_code:D#DN_-_Nigeria

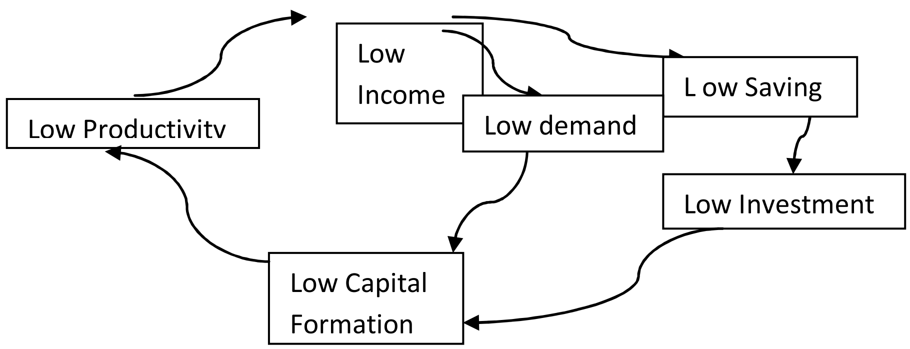

Figure 1. Vicious cycle of poverty

Leadership Problem or Political Instability

Most leaders in Nigeria are dishonest, corrupt and lead by deceit and even committed to their personal needs resulting to political instability. Specialists in regional and local economic development have long recognised public investment as a possible growth policy but this is not in effect in Nigeria due to high level of corruption. Thus, instead of using the larger share of external and internal loan on public investment for the provision of adequate public infrastructure which will promote economic growth, they were being misappropriated or embezzled. Such was the situation with the Education Rights Campaign (ERC) rejection of allocation of the 2010 appropriation bill passed by both houses of the National Assembly as it failed to address funding of vital social services most especially education. The 2010 budget was increased, which every progressive minded Nigerian would have assumed that the large sum added to the budget would go into funding vital social services like education, health and other vital sectors but was used to increase allocation to National Assembly members, fictitious debt servicing, and other non-productive sectors. Secondly, the sum allocated to the education sector fall short of the UNESCO recommendation (ERC, 2010). Also, there is high leadership turnover reducing continuity in plan and policy implementation in the country.

High Poverty level

poverty results from low per capita income leading to low demand, low saving and resultant low investment leading to low capital formation causing low productivity and low income known as “Vicious Cycle of Poverty” (Figure 1)

In fact, nearly all the factors identified in the literatures as hindrance to development are found affecting growth in Nigeria.

Steps Taken in Nigeria for Economic Development

The empirical studies and economists confirmed that: countries with better developed financial system tend to grow faster, meaning that causal relationship exists between finance and economic growth (Kehinde and Adejuwon, 2011). So, Nigeria embarked on financial reform because the condition of the financial institutions then had reduced the level of savings of the citizens. Nigeria Development Forum (NDF) was established in 2003 as Nigeria Development Laboratory where Nigerians meet annually to make input into the country's development programmes. These actions became necessary to restore confidence and sanity in the banking system.

Apart from the financial reform, Nigerian government has introduced poverty alleviation programmes to reduce the level of poverty in the country by providing financial assistance to business men. Emphasis this day is on gender balance by providing space for women in the administration of the country. Also, to increase industrialisation and encourage personal development among Nigerian youth, Entrepreneurship Education is being introduced into the Nigerian University system.

Financial Development as one of the requirements for sustainable economic growth in any economy has taken place to certain extent in Nigeria through banking reform. (Central Bank of Nigeria, n.d)

The role of finance in economic development has been a key focus in the 21st century for economic growth. The reform programme advocated by CBN governor rests on four pillars: enhancing the quality of banks, establishing financial stability, enabling healthy financial sector evolution, and ensuring that the financial sector contributes to the real economy (Sanusi, 2011). The rapid regulatory reforms since July 2009 have resulted into significant changes in the structure of the Nigerian banking industry.

Recommendations for Growth and Development

Firstly, the recommendations are based on causer factors because the Nigerian economy has huge potential for growth. To realize this potential, it is imperative that we learn lessons from the crisis and take steps not only to fix the problems, but to also introduce measures to establish financial stability and ensure continuity of those being operated.

Most of the roads in the various cities are in deplorable state and are crying for repair and should be given priorities. Unemployment is a problem and the country need to provide immediate employment for the youth that are passing out of tertiary institutions. To grow, the country needs to invest in human and physical resources.

Government should also rely on growth-oriented policies and also focus on managing the fluctuations in GDP to achieve sustained and stable growth. Thus suggestions for growth at the Doha Conference stated below could be put into consideration.

From Doha Review Conference

The follow-up of international conference on financing for development held from 29th November to 2nd December, 2008 in Doha, Qatar, resulted in the adoption of the Doha declaration on Financing for Development. The four day conference was attended by Officials from more than 160 countries, including nearly 40 Heads of State or Government to address the challenges of financing for development in the spirit of global partnership and solidarity.

- The countries were committed to eradication of poverty, achievement of sustained economic growth and promotion of sustainable development which should be considered in Nigeria. The conference reaffirmed the commitment to providing and strengthening support for special needs of Africa and stress that eradicating poverty, particularly in Africa, is the greatest global challenge facing the world today.
- Also, the conference reaffirmed the commitment to establishing a monitoring mechanism to follow up on all commitments related to development. So, also Nigeria will need to do this for better implementation of policies. The country must decide to implement development policies in key areas of economic frameworks as a way of mobilizing domestic resources for higher levels of economic growth by ensuring the necessary enabling environment for mobilizing public and private resources and expanding productive investments. In Nigeria, there is need for proper monitoring of awarded contracts and investment because, the extent to which shareholders and creditors effectively monitor firms and induce managers to maximize firm value, will improve the efficiency with which firms allocate resources and make savers more willing to finance production and innovation.
- In order to *foster private-sector development*, the government shall endeavour to promote an enabling environment that facilitates entrepreneurship and doing business by all, including women. This is because; a dynamic well-functioning and socially responsible private sector was recognized as a valuable instrument for generating economic growth and reducing poverty. There was encouragement for continuous support for these to foster a dynamic and well-functioning business sector through appropriate policies.
- Improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment through the policies put in place.
- *Human Resource development:* Human development remains a key priority, because human resources are the most precious and valuable asset that countries possess. The realization of full and productive employment and decent work for all is essential and that government should continue to invest in human capital through social policies on health and education, in accordance with national strategies. Investment in human capital should be enhanced to upgrade the skills and technical capabilities of human resources because,continu-ally improving human capital is vital for economic growth

(Milken in Geoff, 2012) Thus, nations should build human capital by strengthening education, healthcare, and access to scientific knowledge, opportunities for women for qualitative improvement in labour.The importance of fostering diverse local and supporting industries that create productive employment and strengthen local communities must be emphasised.

- *Provision of Financial and Credit Facilities*: The conference called for provision of, and access to, financial and credit services to all, development of a sound and broad-based financial sector for mobilization of domestic financial resources for national development strategies. They also called for well-regulated financial systems that promote savings and channel them to sound growth generating projects and appropriate supervisory and regulatory mechanisms to enhance the transparency and accountability.
- In addition, increasing the domestic supply of long-term capital and promoting the *development of domestic capital markets,* through multilateral, regional, sub regional and national development banks was also emphasised. This will be for generating productive self-employment, the achievement of the internationally agreed development goals, including the Millennium Development Goals and supporting the efforts of developing countries, in capacity-building for their microfinance, and microcredit institutions.
- *Gender equality and women's empowerment* were also emphasised as essential to achieve equitable and effective development and to foster a vibrant economy. Theconference thus, reaffirms the elimination of gender-based discrimination in all its forms, including in the labour and financial markets, as well as, in the ownership of assets and property rights.
- *Capital flight*, where it occurs, it is a major hindrance to the mobilization of domestic resources for development. Therefore, efforts to address the various factors contributing to it like the problem of illicit financial flows; especially money-laundering was strengthened. The conference also laid emphasis on Implementing policies to prevent the transfer abroad of stolen assets and to assist in the recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention against Corruption, as well as to prevent capital flows that have criminal intent. This will help to remove the crazy for getting rich quickly
- *Fight against corruption* at all levels is a priority. Urgent and decisive steps to combat corruption in all of its manifestations in order to reduce obstacles to effective resource mobilization and allocation and avoid the diversion of resources away from activities that are vital for development were emphasised by the conference.
- *Investment*: Governments were advised to encourage foreign direct investment (FDI), by providing an enabling domestic and international investment climate which is fundamental to fostering domestic and foreign private investment. FDI were identified as quality of infrastructure, political/economic stability, openness, trained human capital, investment climate etc (as in 2.3) then, Nigeria needs to effect all these.
- *Expansion in the Exports* There should be expansion in exports instead of concentrating on oil alone other sectors should be developed for trade to play its due role as the engine of growth and development in Nigeria.
- *Official Development Assistance (ODA):* It was emphasised that it is important to make progress in key areas of the Doha Development Agenda of special interest to developing countries of which Nigeria is one. The developed countries were urged to make concrete efforts towards the target of 0.7 per cent of GNP for Official Development Assistance (ODA)for developing countries like Nigeria. Thus, Nigeria needs to provide enabling environment.
- *Democratic Governance:*suggested by the conference is already been operated in Nigeria and should be maintained. For good leadership Nigerian leaders need training for efficiency.
- *Better Coordination by Relevant Ministries in all Countries:*Better coordination and enhanced coherence among relevant ministries to assist in the formulation and effective implementation of policies at all levels should be operated in Nigeria as emphasised.
- *Based on Identified Problems and Endogenous Growth Theory(EGT)*: In order for all of the reforms to succeed, the pervasive corruption in the Nigerian economy and the weak rule of law must be addressed. For economic growth, there is need for creating more dynamic entrepreneurship, capital accumulation, population policy and appropriate institutions to increase savings and investment as stipulated by EGT
- There is need for restructuring the existing manufacturing sector whose structure and efficiency level are not suitable for the growth of the economy considering the role of industrialization in the process of establishing rapid and sustainable growth.

The conference emphasised the importance of all the steps and they are to be reinforced by international support for capacity building, through financial and technical assistance, and United Nations operational activities for development in accordance with national development strategies and priorities. In development cooperation policies, special attention is to be paid to the efforts and specific needs of Africa,

CONCLUSION

Despite the huge resources in Nigeria, it does not have much to show in terms of economic development and poverty reduction. Nigeria thus needs to re-examine its expenditure and the concern must be to break this pattern of behaviour. There is absolute need to improve fiscal transparency and accountability of all tiers of government because corruption has been a major hindrance to development in the country.

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