

Abstract become a  
first world country.  
nigerian economy



**ASSIGN  
BUSTER**

## **Abstract**

The world is recovering from financial crisis that is believed to have originated from the United States in 2007; developing countries were among the most affected economies; however, they are working on policies to keep them in pace with the developed countries. Africa hosts a number of developing economies; the economies are developing mechanisms and policies to assist them grow economically, socially, and politically.

Nigeria is a Sub-Saharan country with a rich history and high potential for economic growth (Federal Government of Nigeria). Though the country is ranked with the middle-class countries, the country has the capacity to become a first world country. Nigerian economy is controlled by oil, agriculture and the service industry (HighBeam Research). Good mentorship and leadership that the country has embraced of late has made the country to be one of the countries expected to be economic giants in the near future. Other than natural resources, the country has a high population with a number of talents that it can tap for its development. A country with natural and human resources has a higher tendency of growing economically as both human and physical resources are needed for economic growth (Oluonye 12-34). This paper takes an economic review of Nigeria.

## **Introduction**

Federal Republic of Nigeria is a West African Nation with its federal capital territory at Abuja and the state's capital city at Lagos; with its coastline lying in the gulf of Guinea to the Atlantic Ocean, the country is an active player in international trade.

It is a metropolitan country with a number of tribes, Hausa, Igbo and Yoruba are then main tribes; in terms of religion, the country is almost equally divided among the Christians and the Muslims. The country's name was developed in the 19th century by Flora Shaw, the future wife of Baron Lugard, and was coined with the respect of the river Niger that passes across the country. In economic terms, the country has been ranked as one of the "next eleven" economies by the union of economic development of the commonwealth countries. The country has the largest number of black population in the world and the seventh largest country in the world; in Africa, Nigeria has the largest population. According to World Bank economic survey of 2008, Nigeria was one of the fastest economies in the world with 8.3%, the rate was expected to increase to 9.2% in 2009; the projections were slightly missed in both years.

The country has a total surface area of 923,768 km<sup>2</sup> (356,669 sq mi), which makes it be ranked number 32 in the world in size. The greatest area of the country has savanna environment that has facilitated the development of oil wells (Federal Government of Nigeria).

## **Politics**

Nigeria has been under military rule for 33 years from 1966 until 1999; however, the country held peaceful election in 1999, when Olusegun Obasanjo, was accorded power in a peaceful transition, in 2010, after the death of Umaru Musa Yar'Adua, Goodluck Jonathan assumed the leadership of the western African country. The system of governance follows the Westminster System model, with an executive president and he is the head

of state. During election, the president is the candidate with the majority vote and is expected to be in office for a term of our two time elective post.

## **Economics**

Federal Republic of Nigeria is regarded as a middle income state with a mixed economy; according to the world bank report, Nigeria is one of the few world countries that have clicked the point of middle class and has the potential of becoming a first world country if its resources are utilized appropriately. The large population in the country is a source of labor; human resources and natural resources combined has made the country's economy being the 37th in the world and second in Africa according to 2007 world GDP (PPP) report.

A joint report by Economist Intelligence Unit and the World Bank, in 2009 stated that the country's GDP was 292. 6 billion in 2007; this was a sharp rise from 170. 7 billions recorded in 2005. During the year, the GDP per capita was \$692 in 2005 but rose to \$1, 754 per person in 2007 (Federal Government of Nigeria) The country economy is driven by oil and fuel reserves that are exploited by modern technology; trade in the country is supported by government initiatives and infrastructure like communication, transports and technology.

In 2010, Citi-Group, the country economic standing is expected to be on an upward rise until 2050; the constant growth has been facilitated by technological innovations and adoptions in the country. Although the country is performing relatively well in the region, the economic development has been hampered by corruption, bad governance and military rule as has been

experienced in the country. There are times that the country has had clashes among the people and this has hampered the attainment of developmental goals. In the entire sub-Saharan countries, Nigeria is considered as one of the country with the richest natural and human resources only if they are exploited and used in an effective manner.

The country has the extremes of having the rich and the poor within the economy thus hindering revolutionist that is associated with the rich in the community.

## **Infrastructure**

The government of Nigeria has recognized the need to have high infrastructures within their economy to facilitate an improve living standards and encourage investments; though the technology adopted in some infrastructures like roads is the yester one, the country has relatively modern developed infrastructures; these are both of transport and communication. The systems are advanced so well that asses to the country from any corner of the world is highly enhanced, the airports, the seaport, and internal transport are well managed and assessable. The Chinese and American contractors are wining construction contacts in the country thus increasing the technology of the facilities. One of the fast growing sectors of the economy in the country is the construction and the film industry; there are a number of people building rental-offices and residential in the economy to tap the increasing population needs. On the other hand, the countries film industry called Nolly-wood is among the well doing sectors in the region and internationally.

The improvement of infrastructure is an asset to the business since it reduces the cost of doing business, on the other hand the international market are enhanced at all lengths. The sectors have seen the private and public participation, this boosts the efficiency of the systems and thus one can trade with approximate assumptions. There is what the government refers to as private public partnership that is aimed at maintaining the infrastructures.

### **Banking and insurance sector**

Nigerian central bank has the control over commercial banks operating within the country; it manages the economy through economic tools of monetary and fiscal policies. Nigeria has well developed financial sector with the privatized and government participation in the sector; other than domestic banks, the country has a number of foreign banks and insurance companies. The banks are stable enough to sustain the growing economy.

On the other hand, the country is facing a rapid increase in micro finance institutions; the institutions are giving a lot of support to the small-scale trader evident in the country. Thinking of the economy from that angle, it means that the manufacturing businesses will eventually benefit. Insurance companies are also a backbone of investment sector of an economy; the insurance companies are stable enough and can handle big losses without going under. At the same time, there are reinvestment insurance companies that help in maintaining stability even further. The banking sector has enabled firms to get loans at favorable rates.

The insurance and the banking sectors will thus have a direct and indirect effect. From a direct point it means we stand to benefit the efficiency of this institutions and from an indirect point is that as the other sectors get empowered the benefit trickle down to business (Martin 34).

## **Information and Technology (ICT)**

With scientific innovation and invention in the world, Nigeria has recognized the need to adopt technology in its operations; the government is in the forefront encouraging companies and individuals to adopt technology in their operations. Nigeria is among the countries in the Africa that have the most advanced technology. To facilitate the use of technology within the country, the government has wiped tax and custom rate of the sale of imported computers to facilitate a large number of people to buy and afford the facility.

Government has built schools and colleges that can be used to read the subject and improve the general understanding within the country. Though much of the technology adopted in public and private sectors are imported, the country has been able to use high technology to assist in efficiency and reduction in the cost of production; this means that a business in Nigeria is more likely to produce quality and quantity at a very low price compared to other places in the world. Technology has been adopted in a number of sectors that include, transport, medicine, tourism and in education.

The vision that the country has by 2030 is to have a population that is fully computer literate and can improve its own way of doing things with technology. The private sector has the leadership in the use of technology

where it is used as a cost reducing policy; people are able to communicate and develop better combinations when they are using technology. World leaders in the electronic industry that include Nokia and Samsung evade the countries mobile technology industry. The government has adopted policies to improve internet connection within the economy and ensuring that people can be accessed through the internet effectively.

## **Technology companies in Nigeria**

The Nigerian ICT industry is monitored by Information Technology Association of Nigeria, (ITAN), which was established in 1991 as Microcomputer Vendors Association of Nigeria (MiVAN), the company operates as an umbrella body of companies in the ICT industry.

The company's first president was Mr Yinka Edu of A-Z Computers Ltd appointed in 1995 when the company's Abuja chapter was established. Currently the company is lead by Dr Jimson Olufuye who took office on March 29, 2007. The company has made numerous advances in the country as far as technology is concerned, they have been able to pioneer the country develop home based computer software's like Zion, Omatek, Speedstar through NACASE to solve the countries pressing problems.

In 2001, the company pioneered the establishment of a National IT Policy, 2001, which was aimed at developing capacity and assisting the Nigerians have the required policy at hand, only an year after the policy, the country was able to establish a national computer society called Nigeria Computer Society (NCS) in 2002. Other companies in the ICT industry include CHAMS PLC, Zain, Gafunk Ltd, Termex Ltd, Cybertec Ventures (Nig) Ltd, Omatek

<https://assignbuster.com/abstract-become-a-first-world-country-nigerian-economy/>



Ventures Ltd, and Brian Computers Ltd (Information Technology and Development (ITD), 2011).

## **Recommended ICT Technology**

With the improved technological development, the government and the people of Nigeria need to improve in some areas.

Technology as facilitated the operation of an E-government were people could transact with the government within their offices and comfort of their homes. Although some of government functions have been computerized, the country lags behind in the implementation. The bureaucracy and dictatorship that had prevailed in the country since the military rule took power made government institutions lag behind as far as adoption of technology was concerned. The private sector has both in-house developed and commercial software (Lizzie 45). Another area of technology that the country need to look into is development of own software and hard ware, the country has the capacity and equipments to develop its own software and hardware. Scholars in the country need to be utilized in an effective manner, as they will offer the country a chance to invent and innovate technologically related goods. Through the country has adopted e-commerce and e-trade in the economy, the rate at which the systems have been developed is demanding, there are a number of people who are still dragging with the old system of trade denying the country some revenue it would have gotten from e-commerce and increased trade with other countries(Levy 12-45).

## **Conclusion**

Nigeria is African most populous country and the second largest economy in the region; the country has the potential of being a first world; however, efforts of development have been hampered by past political regimes.

Current government is committed to see the country develop and lifestyles improved; it is laying communication and transport infrastructures in this effect and encouraging people to accept the use of technology. According to World Bank reports of 2010, if the country can exploit the resources, it has effectively; it can easily attain its vision 2020 goal of being an industrialized economy.

## **Works Cited**

Federal Government of Nigeria.

Official Website of Nigerian Government, 2011. Web. 06th April 2011.

HighBeam Research. Nigeria. Family Education Network, 2011.

Web. 06th April 2011. Information Technology and Development (ITD).

Millennium Development Goals (MDG), 2011. Web. 09th April 2011.

Levy, Patricia. Nigeria. New York: Marshall Cavendish, 2004. Print. Lizzie Williams.

Nigeria: the Bradt travel guide. New York: Bradt Travel Guides, 2008. Print.

Martin, Mathews. Nigeria: current issues and historical background. New York: Nova Publishers, 2006. Print.

Oluonye, Mary. Nigeria. Cape Town: Lerner Publications, 2007. Print.

<https://assignbuster.com/abstract-become-a-first-world-country-nigerian-economy/>