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Growth and the Trickling Down Optimism: Examining the Nigerian Exception

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Abstract

The neo-liberal theory of development which is predicated on the maximization of growth through capita accumulation and industrialization predicts that sustained economic growth has trickling down nourishment on the national life of the people in areas such as infrastructure, jobs, literacy, better living conditions, social equality, and economic stability. Therefore this paper intends to examine the validity of the trickling down assumption in relation to growth in Nigeria, relying on the GDP focused economic performance of rebasing exercise of 2014. Using content analysis of secondary data collected and investigation of theoretical and empirical variables, the study established that Nigeria's case is an exception. Facts revealed that the socio-economic indicators of development within the study period shows a negative parallel with growth, evident in extreme level of economic marginalization, social exclusion, high unemployment rate, high poverty and illiteracy rate, high vulnerability and unsteadiness of the economy among others. Nigeria unproductive growth as the study observed is traceable to inhibitive systemic pathogens and policy crisis. Useful suggestions were proffered regarding policy measures.

Background to the Study

Evidence from the recent rebasing exercise has shown that Nigeria is increasingly more diversified, with important sources of growth coming from manufacturing and previously undocumented services. The rebased figures indicate that Nigeria GDP almost doubles the previous estimate that relied on the old base year (World Bank, 2014). The rebasing exercise has generally brought to the fore core areas of economic strength and weaknesses of the nation, and has thus provided the audacity for taking precise policy actions in critical areas of the economy.

Despite the undulated stretch between high and low growth rates under the period assessed, Nigeria's economic growth has positioned itself as the largest economy in Africa. This implies that the size of Nigerian economy in the aggregate sectors surpasses that of other African states and, classed among middle income countries of the world. Though impressive, yet ironical, in that Nigeria in the past and present within the scope of the rebasing is also undeniable one of the least developed nations in the continent, implying that lesser economies exist with higher level of economic development than Nigeria.

The rebasing exercise has therefore inspired a background for ample intellectualism in highlighting the discrepancy between socio-economic realities and statistical expressions, thus throwing open the challenge of unbundling the contradiction. This brings us to the puzzle raised by Onyekpere (2012) who asked the following thought provoking questions; What is really holding back the take-off of Nigeria's economic growth and development? Why are we taking one step forward and two steps backward? And in addition, how can Nigeria begin to address a possible reversal by making its economic growth more productive? This paper is not in a journey to round off all the issues, but attempt a re-examination of certain core issues, articulate possible ways forward and in the process inspire further discourse.

Theoretical Discourse

It is a general understanding that core elements of economic development are driven by economic growth. However, economic growth does not have automatic import in bringing about economic, social, institutional and environmental improvements; it relies on a gradual process which neoclassical economists refer to as the "trickledown" economics. In their view, the benefits of fast economic growth will seep through the high income groups to lower income sections of a society. They believe that if the top earners in society gain an increase in income, everyone benefits, as basic economic problems of unemployment and disparities in income-distribution are addressed (Business Dictionary, 2016). This is evident in the fact that most countries with faster economic growth have more rapid improvement in health and education outcomes, progressively freer political system and increasingly more equitable distribution of wealth (Rothstein and Teorell, 2012). Apart from Nigeria, and possibly few other countries alike that are an exception.

The neoclassical model of economic growth however ever did not pay much attention to the question of wealth distribution. Its primary concern is on efficient production and assumes naively that the market will allocate the reward of efficient production in rational and unbiased manner. However, as observed by Ferraro (1996) the assumption may hold for well-integrated economically fluid economy where people can quickly adjust to economic changes and where consumption pattern are not distorted. And in Business Dictionary (2016) it is further argued that those who benefit most from an expanding economy spend considerable effort in cementing the bottom of their income pools to retain maximum advantage, and as such the trickling down belief becomes elusive as what appears evident is widening inequality. That an increased income inequality can lead to inequality being solidified through educational opportunities, wealth accumulation and the growth of monopoly / monopsony power, which may further lead to lower rates of economic growth (OECD, 2014). Thus for these and other structural reasons, dependency theorists argue that market alone is not a sufficient distributive mechanism.

It is in view of the above that the role of governance is critical in setting economic direction in line with development agenda. Hence in a healthy political system where proper development policies are put in place, with a steady rise in GDP, development is pursued and the people's wellbeing properly attended. Hence no nation ranked among the developed nations of the world fails to exploit its economic growth opportunities for national development. Economic growth marched with economic development entails consistent unfolding of long and short-term plans, coupled with effective monitoring, assessment and evaluation. Suffice to say that national planning for development encompasses both a deliberate agenda for economic growth and developmental outcome backed by sustained vision. In this regard, before policies are rectified and implemented the task ahead are actively contemplated, visualized, and practical steps towards attainment formalized. In view of this; leadership, objectivity, professionalism, patriotism, selflessness, high integrity and impartiality are scarcely compromised.

However the development crisis faced by some democratic states emanates from corrupt governmental institutions, arising from conjured democratic processes that begins and terminates with primordial adventurism. This lay credence to the modernist thinkers' notion of cultural and traditional proclivity as the bane of development among third world countries. Modernist thinkers uphold strongly that development crisis is not unconnected with state character of nations whose societies are dominated by patronage and neo-patrimonial structures with strong notions of tribal belongings (Rostow, 1960; Inkeles and Smith, 1974).Thus the crisis between the ideal as elucidated above and what obtains in most developing and third world countries is captured in the realities of the Nigerian state evident in its inability to turn impressive growth record into socio-economic prosperity.

Nigeria Economic Rebasing: Reviewing the Non-Oil Growth

Nigeria is a middle income nation and emerging market, and also the largest economy in Africa. Its manufacturing sector is the third-largest on the continent, and produces a large proportion of goods and services for the West African sub region. National accounts statistics in Nigeria had not been re-based since 1990. The current rebased numbers for the GDP (2010-2013) was recently announced by the National Bureau of Statistics in April, 2014, and revised in July of the same year (World Bank, 2014).

In the review of the World Bank 2014, statistical report on Nigeria based on its economic rebasing; the value for the new based year 2010 shows GDP increasing by 60.7% relative to previous statistics. For 2011, 2012, and 2013, the assessed increases in the level of Nigerian GDP were 68.3%, 76.9%, and 88.9%, respectively. The new GDP numbers imply that Nigeria had a gross national product of US$ 509 billion in 2013, making it the largest economy in Africa and the 26th largest economy in the world. See Table 1.

Table 1: Nigeria Gross National Product (Current Prices) (Million Naira (Million US$)

	2010	*2011*	*2012*	*2013*
Previous	*33984754.13* *($226112.80)*	*37409860.61* *($241759.47)*	*40544099.94* *($258555.58)*	*42396765.71* *($269515.22)*
New *(reestimates)*	*54612264.18* *($363355.05)*	*62980397.22* *($407007.86)*	*71713935.06* *($457330.12)*	*80092563.38* *($509146.50)*
% Increase	*60.70%*	*68.35%*	*76.88%*	*88.91%*

The World Bank (IBRD/IDA) Nigeria Economic Report, No. 2, July, 2014

The new GDP numbers suggest a more diversified and complex economy than previous estimates in that the three sectors of agriculture, crude oil and gas, and trade accounted for as much as 85% of GDP. These three sectors now cover only half (54%) of Nigerian output. Sectors with significantly higher estimates of their shares in GDP include telecommunications, real estate, manufacturing, construction, and entertainment. The higher share of manufacturing in Nigerian GDP is noteworthy, and this is partly due to the previously under-accounted food industry (4.4% of GDP). From the rebasing, the share of the oil sector has fallen to 15.8%, less than agriculture (22.1%) and trade (16.5%). GDP growth for 2011, 2012, and 2013 in Nigeria as reported is now assessed at 5.3%, 4.2%, and 5.5%, respectively. Non-oil growth accelerated to an estimated 8.4% in 2013, but the strong decline in oil and gas (-13.1%) brought down the overall growth rate for the year. The re-based GDP numbers reveal much less concentration of growth in agriculture and telecommunications since 2011 than had been estimated previously, and prescribe higher growth to many other sectors. Notably, this includes manufacturing and the large Nigerian food industry.

A number of sectors in manufacturing also have high newly estimated growth rates. Growth in trade and transportation slowed notably in 2012, but revived in 2013 (World Bank, 2014).

Following the rebasing, the average annual growth in agriculture from 2011-2013 is now assessed at 4.2%. Growth in agriculture was estimated at 2.9% in 2011 and 2013. Considering that population growth in Nigeria is believed to be close to 3%, the new estimates are more consistent with what appears to be persistently high rural poverty. The more diversified structure of Nigerian GDP and the sectorial growth rates in imply a more complex story of GDP growth in the country (World Bank, 2014).

The new GDP numbers in Table 2 suggest a more diversified and complex economy than do previous estimates. According to the former GDP numbers, the three sectors of agriculture, crude oil and gas, and trade accounted for as much as 85% of GDP. Now, agriculture, oil and gas, and trade cover only half (54%) of Nigerian output. Sectors that received significantly higher new estimates of their shares in GDP include telecommunications, real estate, manufacturing, construction, and entertainment. The higher share of manufacturing in Nigerian GDP is encouraging, and this is due in part to the previously under-accounted food industry (4.4% of GDP). From the rebasing, the share of the oil sector has fallen to 15.8%, less than agriculture (22.1%) and trade (16.5%).

Table 2: Sectoral share in Nigeria GDP - 2012

A Comparison of Newly Re-Based and Older GDP Estimates		
Sectors	New	Old
Agriculture	22.1	33.1
Crude Oil and Gas)	15.8	37
Trade	16.5	15.5
Manufacturing	7.4	1.9
of which food & tobacco	4.4	-
Construction	3.1	1.3
Transportation	1.3	1.6
Telecommunications	8.3	0.8
Electricity and Gas	0.5	0.2
Finance and Insurance	2.8	1.6
Real Estate	7.7	4.5
Entertainment, Broadcasting, Motion Pictures, Music	2.0	-
Public Administration	3.1	-
Prof., Scientific, and tech. services	3.7	-
Other	5.7	2.5

Source: Modified of NBS in IBRD/IDA Economic Report

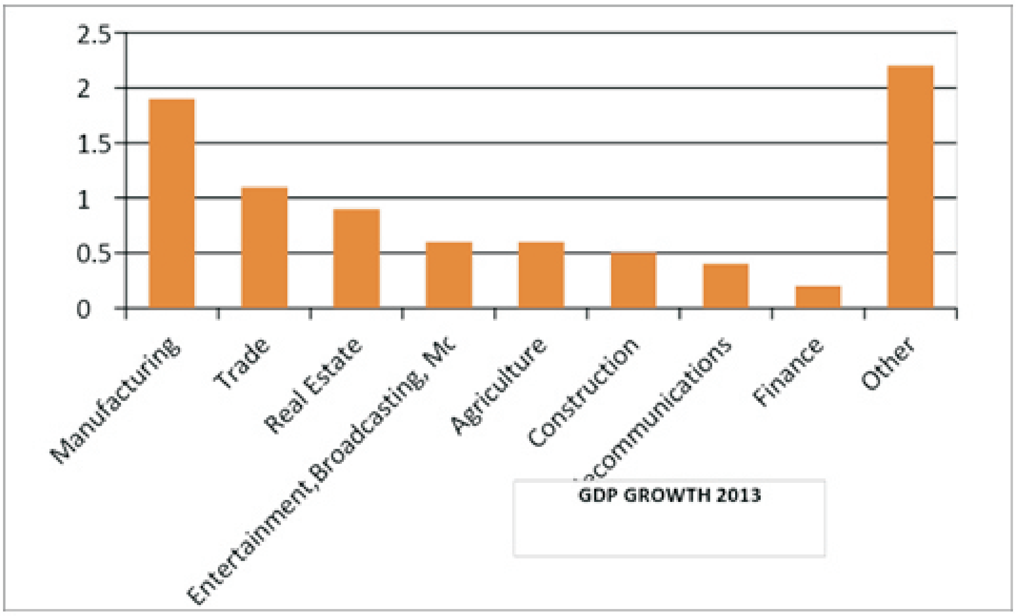
GDP growth for 2011, 2012, and 2013 in Nigeria is now assessed at 5.3%, 4.2%, and 5.5%, respectively. Non-oil growth accelerated to an estimated 8.4% in 2013, but the strong decline in oil and gas (-13.1%) brought down the overall growth rate for the year. The re-based GDP numbers reveal much less concentration of growth in agriculture and telecommunications since 2011 than had been estimated previously, and prescribe higher growth to many other sectors. Notably, this includes manufacturing and the large Nigerian food industry. A number of sectors in manufacturing also have high newly estimated growth rates. Growth in trade and transportation slowed notably in 2012, but revived in 2013. Following the rebasing, the average annual growth in agriculture from 2011-2013 is now assessed at 4.2%. Growth in agriculture was estimated at 2.9% in each of 2011 and 2013. Considering that population growth in Nigeria is believed to be close to 3%, the new estimates are more consistent with what appears to be persistently high rural poverty. The more diversified structure of Nigerian GDP and the sectoral growth rates in Table 3 imply a more complex story of GDP growth in the country. See Table 3.

Table 3: GDP Growth in Selected Sector: 2011 -2013 (New Estimates)

A Comparison of Newly Re-Based and Older GDP Estimates			
	2011	2012	2013
Total	*5.3*	*4.2*	*5.5*
Non-Oil GDP	*5.8*	*5.8*	*8.4*
Agriculture	*2.9*	*6.7*	*2.9*
Crude Oil and Gas)	*2.3*	*-4.9*	*-13.1*
Trade	*2.3*	*-4.9*	*-13.1*
Manufacturing	*17.8*	*13.5*	*21.8*
Including food, beverages and tobacco	*7.3*	*6.6*	*11.8*
Electricity, Gas, and Utilities	*39.5*	*14.6*	*14.6*
Construction	*15.7*	*9.4*	*14.2*
Trade	*7.2*	*2.2*	*6.6*
Transportation	*6.0*	*-3.4*	*3.8*
Telecommunications and Info Services	*1.2*	*3.7*	*4.7*
Entertainment, Broadcasting, Movies, Music	*10.5*	*1.9*	*24.1*
Real Estate	*0.4*	*5.6*	*12.0*

Source: Modified of NBS in IBRD/IDA Economic Report

Figure 1 illustrates the new implied structure of nonoil GDP growth for the year 2013. This can be contrasted with previous estimates that assigned 80% of GDP growth to the three sectors of trade, agriculture, and telecommunications. As in past estimates, the share of trade remains significant, but has fallen to 13% of non-oil GDP growth. Manufacturing now emerges as the single largest contributing sector to non-oil GDP growth in 2013 (22.1%). Real Estate is the third largest contributor at 11%. The contribution of agriculture is similar to that of the entertainment, broadcasting, movies, and music (7%). A large share of non-oil GDP growth (26%) comes from "other" sectors that comprise mostly services of various types.



Source: Modified of NBS from IBRD/IDA Economic Report (2013)

The National Bureau of Statistics, NBS, puts the growth rate of the economy for 2013 at 6.75 per cent, which Ngozi Okonjo-Iweala, minister of finance and coordinating minister for the economy, says is conservative given that the International Monetary Fund, IMF, rates it at 7.2 per cent. Nigeria has the highest growth rate in Africa and one of the highest in the world. China's economy is growing at 7.75 per cent with a downward forecast of 0.25 per cent for 2014; South Africa was growing at 3.3 per cent. This suggests that the Nigerian economy is growing at more than two times the global average (Eme, 2014).

The Trickling Down Optimism and the Nigerian Exception

According to AFDB (2014), Nigeria still faces an ongoing challenge of making its decade-long sustained growth more inclusive. Poverty and unemployment remain prominent among several challenges facing the economy. This result from the fact that the benefits of economic growth have not sufficiently trickled down to the poor. Thus, poverty reduction, mass job creation and protection of the most vulnerable and those in the large informal sector remain a major policy concern.

National Bureau of Statistics figures released shows in 2015, that Nigeria's poverty level was increasing at the same time that the overall economic growth rate was being reported. Nigeria in 2013 was ranked around 160th out of 177 countries on the scale of the Human Development Index (HDI). Rural population has extremely limited access to services such as schools and health centers, and about half of the population lacks access to safe drinking water. It is therefore evident that the country is unable to translate its apparent high economic growth rate into poverty reduction. (http://www.poverties.org/poverty-in-nigeria.html, 2013; CDD, 2013; NBS, 2015).

The increasing rate of unemployment in the county is seen by experts as a confirmation that Nigeria's widely reported rapid economic growth has failed to translate into job creation. Despite the 'healthy growth' of the Nigerian economy in the last five years (averaging almost 7 per cent), unemployment has been rising alongside the increased incidence of poverty. Lack of sufficient jobs resulted in increase of 2.1 million unemployed persons in 2011, up from 1.5 million unemployed people produced in 2010. That is a percentage of 23.9 in 2011, compared with 21.1 per cent in 2010. It is also reported that 54 per cent of Nigerian youths were unemployed in 2012, and in 2013 that urban unemployment rate was estimated at 29.5 per cent (NBS Reports 2012, 2013, 2014).

While reviewing the Nigerian economy at 53, the Lagos Chambers of Commerce and Industry (LCCI) through its President, Ibru Goodie lamented the rate of youth unemployment which stands at 50 per cent; and the worsening poverty situation, he reiterated that the challenge was the inability to adequately transform the huge opportunities and potentials that abound in the country for the good of the people (Eme, 2014:18). Corroborating this claim, the former minister of Finance and co-ordinating minister of the economy, Dr. Ngozi Okonjo-Iweala admitted that the spate of unemployment was really alarming. Making reference to NBS, she declared that 1.8 million young Nigerians enter into the labour market .The World Bank also noted that job creation in Nigeria has been inadequate to keep pace with the expanding working age population, causing social distress for an increasing number of Nigerian youths (World Bank, 2014).

As if to make matters worse, more companies, in a bid to cut cost, are downsizing their workforce thus sending thousands of their employees back to the labour market**.** And as a fallout of the strain of youth unemployment is their recourse to kidnapping, armed robbery, prostitution, militancy, insurgency, street begging, hawking, cyber-crimes and proliferation of baby manufacturing dens just to mention some of the escalating social vices (Eme, 2014).

It was reported in 2010 that over eight million children in Nigeria are out of school with no education whatsoever and limited chances of getting any at all, which account for the single highest number from any one country around the world. Yet according to the report, only 2percent of the country's oil wealth was required to give this number of children education up to the University level (Igbikiowubo 2010:4-5).

Most developed nations in the world jump-started their economies by accelerating infrastructure and building on it. The World Bank estimates that every 1percent pf government fund spent on infrastructure leads to an equivalent of 1per cent increase in Gross Domestic Product (GDP). This invariably means that there is correlation between any meaningful inputs in infrastructure development and economic growth indices; hence the value of infrastructure cannot be underplayed (Onwuamaeze, Olisaemeka

Obeche, Omoragbon and Ochai 2016).

Goodie (2013) in reviewing the poor state of the Nigerian economy in its 53rd anniversary noted that the economy is inhibited by serious issues of infrastructural deficits, especially with regards to power supply at less than 4000 megawatts; transportation, logistics, the quality of institutions, cost and access to funds, among others, all of which have combined to create a burden of competitiveness for domestic enterprises.

Adebayo (2014) in his assessment of infrastructure in Nigeria, stated that lack of basic infrastructural development programme has affected virtually all sectors of the economy and impede feasible economic empowerment, promotes inequality and poverty. As revealed by Adebayo in the provision of basic infrastructure, Global Competitiveness Index (2012-2013) ranked Nigeria 130 below Mali, Ghana, and South Africa. Also, that approximately 70 per cent of the 193,000km of roads in the country is in a poor condition, whilst only 20 per cent are paved. He further stated that, the power outages the nation experiences amount to over 320 lost days a year, and over 60 per cent of the population lack access to electricity and more than 13 billion dollar spent annually to fuel generators.

Igbuzor (2004:45-51) clearly captured the Nigerian poverty situation which is even more relevant today considering the current economic dilemma of the nation. He stated thus that the Nigeria poverty quagmire is expressed in; not having enough to eat, poor drinking water, poor nutrition, unfit housing, high rate of infant mortality, a low life expectancy, low educational opportunities, inadequate health care, lack of productive assets, lack of economic infrastructure and inability to actively participate in decision making process. These miseries he further stated, is directly linked to inappropriate policies, bad governance, and corruption, low productivity often caused by lack of electricity, unemployment, high population growth and human resources development.

However the growth statistics never seizes to puzzle economic experts who find it difficult to reconcile the speed at which the economy is growing with socio-economic realities on ground. Basically the general understanding is that high unemployment indicates that an economy is underperforming or has a falling gross domestic product. While low or falling unemployment may reflect an expanding economy, but the case of Nigeria is an exception in that economic growth rate and unemployment are in 100metres track race to undue each other. While the unemployment situation is worsening, the nation's economy is rated as one of the fastest growing economies in the world (Eme, 2014).

The Trickling Down Optimism: Issues in the Nigerian Exception

Judging from the recent rebasing exercise, Nigeria economy may have emerged as one of the fastest growing economy in the world, however complexity of factors which the writers refer to as systemic pathogens as well as policy crisis has made the transformational impact of growth persistently elusive.

The Challenge of Corruption

Firstly is the issue of corruption. There is a direct linkage between corruption and the ravaging poverty in Nigeria. Bribery and Corruption has stunted Nigeria economic development despite its impressive economic development through mismanagement of public fund, kick-backs and the resultant poor execution of contracts, as well as direct theft from public coffers.

The "Africa Fraud Barometer" report, found a total of 875 cases of fraud in Africa last year; South Africa and Nigeria had the highest number of reported cases (Marais 2011). The scenario is taking a worsening dimension in Nigeria considering grievous revelations such as the Fuel Subsidy fraud, the Pension scam, allegations in Nigeria Security and Exchange Commission (NSE), the CBN/NNPC foreign account controversy, the Bullet proof cars controversy, the current Military Arms deal crisis and many more, leaves nothing to be desired of an economy that urgently need development, irrespective of the impressive economic growth statistics.

Corruption is personified as a foremost systemic pathogen hindering the realization of productive and inclusive growth in Nigeria. It is likened to a vector which spreads viral diseases through the host, destroying cells, weakening the organs or functional parts and leading to the death of its victim. The Nigerian state as a functioning entity is being torn apart by those entrusted with the task of driving the course of national economy. The activities of corrupt officials distort the processes and efficiency of government with adverse implication on the socio-economic sphere. Corruption slows down the movement of files in offices, police extortions, and slow traffics on the highways, port congestion, queues at passport offices and gas stations, ghost workers syndrome, election irregularities, among other distortions. Corruption diverts scarce public resources into private pockets, literally undermines effective governance, endangers democracy and erodes the social and moral fabric of nations (Opeyemi 2011).

According to Igbikiowubo (2010:4-5) 80percent of Nigeria's energy revenue flows to the government, 16 percent cover operational costs, and the remaining 4percent to investors. However, the World Bank estimated that as a result of corruption, 80 percent of the nation's revenues benefit only one percent of the population.

The Challenge of Leadership

Leadership is required to bring about transformational change through effective and sustained policies. Nigeria has not been very fortunate in this regards. There is dirt of selfless commitment to transformational change in a nation where developmental incentives abound. It is on the basis of transformational leadership that nations such as Chile, China, Indonesia, Malaysia, Singapore, South Korea and Taiwan demonstrated strong commitment to development, with clarity of vision and of goal (Adamolekun, 2012).

Irrespective of the pace of growth in a nation's economy, where there is complete absence of transparency and accountability in the leadership, development will remain a mirage. Wole Soyinka's recent remark is cogent in stating that; the economic condition of a nation does not deteriorate overnight, something came before that deterioration. A certain prolonged process of attrition that happened in the past is now knocking on the door. The consequences of the past misgovernance are what we are undergoing now (The Economy, 2016). Leadership crisis in Nigeria is evident in recorded cases of ineffective government development programmes which are basically interventionist, ad hoc, highly politicized and lacking in substance and value.

Policy Crisis

Policy inconsistency is the bane of economic development in Nigeria. Development policies abound since the creation of the Nigerian state yet none have been pursed through to a logical conclusion. Rather in a dubious urgency aimed at legitimization after a faulted takeover of political office, politicians delving rascally into project without a well thought out plan regarding its direct benefits to the people, mode of completion and sustainability. Mainly politicians embark on white elephant projects only to be abandoned midway. And even when a project is laudable successive government are often unwilling to identify and continue with such policies and programmes no matter how laudable. Furthermore is the competence and political will of leaders to cogently initiative projects that are far reaching and timely, and effectively implement it.

Such policies abound in the past and since 1999 when the new democratic dispensation emerged and has always record failure than success. The structural Adjustment Programme brought more failure than success and it was a celebration of poverty and unemployment after its introduction. The NEEDs policy was not sustained after the end of President Obasanjo's regime, and was displaced by the Seven Point Agenda of Late President Yar'adua, which became an unrealistic proposal because of his sudden death and the failure of his successor to continue the legacy (Olanrewaju, 2015). The transformation agenda have also suffered similar fate under the current "Change Government", none of President Jonathan's policies and programmes have been consider relevant for sustenance under the current government.

Conclusion and Recommendations

Nigeria must resolve to attend to its developmental problems. The statistical expressions which favors rapid economic growth is meaningless in the face of abject poverty and socio-economic exclusion of millions of Nigerians. This paper has succeeded in exposing the gap between impressive statistical economic growth records and the crucial human and institutional capacity need required to translate it into economic development.

As observed, one of the challenge is that of transformational leadership. The dearth of transformational leadership has been the nation's greatest woe. This is evident in the inept and corrupt leadership the country has encountered over the years. A leadership lacking in vision and political will. The lack of political will which is evident in the inability to convincingly tackle the stubbornness of bureau pathologies (particularly corruption and its offshoots).

Therefore a deliberate attempt should be made by government at all levels to embark on building strong institution where processes are strictly enshrined and adhered to. With strong institutions, policies are objectively made and carried out, and the scale of political corruption and frauds is drastically reduced. Also monetary privileges associated with political offices should be checked. Making monetary privileges less attractive will, discourage opportunists with self-agenda. This way political space is created for selfless and visionary characters to emerge. Civil society groups and others in the agenda for good governance must be more engaging in monitoring the conduct of government in all ramifications. The media must be more involved in investigative journalism taking advantage of the freedom of information act.

Keying in to Inclusive Growth

Inclusive growth concept addresses the gap between economic growth and development. Translating growth into development is better handled by creating and directing policies aimed at involving everyone in the nation's growth process, irrespective of economic divide. When a large proportion of the population is deprived, a general growth process may not work, thus differentiated policies are required to remove discrimination, provide equal opportunities to the deprived and economic marginalized, and include them in the mainstream economy. To achieve inclusive growth those areas and sectors to be targeted by government are areas where the poor are located and where they work to achieve social security, mainly informal sectors (Prabhu 2014, Orairfor 2011)

Flowing from this, the economy should be reengineered in a way that gains of higher productivity and technological innovation should diffuse to the other productive sectors of the economy, especially non formal sectors. Also to achieve inclusive growth, state interventions and regulations are critical in relation to private sector activities. This is because private sector is market and profit driven ignoring social needs. Also they can engage in unhealthy wealth accumulation and the growth of monopoly / monopsony power which may not allow for opening of the economy. In this regard the private sector needs to be regulated to ensure transparency and competition in their dealings to enhance productivity, efficiency and innovation which will generate employment opportunities and raise incomes (Orairfor, 2011).

Above all three strategic actions need to be adopted to ensure that economic growth is inclusive, sustainable and equitable. These are equitable distribution of resources and basic social services including improvement in social security; fostering employment and entrepreneurship which are development oriented and creating an environment of political and economic stability (Orairfor 20!14; Prabhu, 2014).

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