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NAVIGATING ECONOMIC VOLATILITY: STRATEGIES FOR RESILIENCE AND GROWTH IN A DEPRESSED ECONOMY

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Abstract

Nigeria's underdevelopment and unsustainable growth problem appears to have remained elusive over the past six decades since independence in 1960. This paper conducts an eclectic review of Nigeria's economic growth diagnostics with a view to unearthing strategies for resilience and sustainable growth in the country. The study focused on analysing Nigeria macroeconomic development and volatility outlooks in history. The methodology adopted was the Growth Diagnostics approach originally developed by Hausmann, Rodrick and Velasco in 2005 (as expounded in ensuing studies) for understanding the drivers of growth and proffering robust policy lessons that can support rapid and sustainable economic growth. The finding from the study indicated an ailing status of the Nigerian economy. We found support for increasing inflation and rising unemployment levels which implies economic stagflation; a growth rate averaging about 3% in the last 10 years; and increasing lending rate and misery index; as well as an increasing poverty profile. However, we found no evidence of economic recession in Nigeria and recommended that the apparent illusion of economic recession in the county may have resulted from non-inclusiveness of growth over the country's recent history.

Key words: Growth Diagnostics, economic volatility, sustainable growth

Résumé

Le sous-développement et la croissance non durable du Nigéria semblent persister depuis six décennies, soit depuis son indépendance en 1960. Cet article propose une analyse approfondie des indicateurs de croissance économique du Nigéria afin de dégager des stratégies pour une croissance durable et résiliente. L'étude s'est concentrée sur l'analyse des perspectives de développement et de volatilité macroéconomiques du Nigéria à travers l'histoire. La méthodologie adoptée est l'approche de diagnostic de la croissance, initialement développée par Hausmann, Rodrick et Velasco en 2005 (et exposée dans des études ultérieures), pour comprendre les moteurs de la croissance et proposer des enseignements politiques solides susceptibles de soutenir une croissance économique rapide et durable. Les résultats de l'étude indiquent un état de santé précaire de l'économie nigériane. Nous avons constaté une inflation et un chômage croissants, signes de stagflation ; un taux de croissance moyen d'environ 3 % au cours des dix dernières années ; une hausse des taux d'intérêt et de l'indice de misère ; ainsi qu'une augmentation de la pauvreté. Nous n'avons toutefois trouvé aucune preuve de récession économique au Nigéria et suggérons que l'illusion apparente de récession dans le pays pourrait résulter d'une prise en compte incomplète de la croissance au cours de l'histoire récente du pays.

Mots-clés : Diagnostic de croissance, volatilité économique, croissance durable¹

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Introduction

Economic volatility refers to the fluctuations in economic indicators, such as GDP growth rates, inflation and unemployment levels over time. It is a condition of instability where equilibrium is distorted. It is mostly occasioned by market dynamics, external shocks, and policy changes. Financial market fluctuations, driven by investor behaviour and speculative activities, yield most volatile conditions in economies worldwide. For instance, Stock market crashes and housing market bubbles is usually a major driver of economic volatility globally (Yang & Yang 2023).

The 2007–2008 global financial crises (GFC), was the most severe worldwide economic crisis since the Great Depression. Predatory lending in the form of subprime mortgages targeting low-income homebuyers, excessive risk-taking by global financial institutions, a continuous buildup of toxic assets within banks, and the bursting of the United States housing bubble culminated in the Great Recession (Wang 2023). This was later followed by the European debt crisis, which began with a deficit in Greece in late 2009, and the 2008-2011 financial crises, which involved bank failure in all the three major banks in Iceland. When examined in terms of the size of its economy, it was the largest economic collapse suffered by any country in history (The Economist, 2008). It was among the five worst financial crises the world had experienced and led to a loss of more than \$2 trillion from the global economy (Duffie, 2025; Farid Irani, et al 2025).

The effect of changes in monetary and fiscal policies on interest rates, tax policies, and government spending can influence economic stability. Unpredicted policy shifts often lead to increased economic uncertainty (Arezki *et al* 2025). A case of unpredicted policy shift effect can be seen when President Ahmed Bola Tinubu of Nigeria announced the removal of oil subsidy on his inauguration. This led to spiraling of prices across markets in the Nigerian economy. External shocks including sudden changes in commodity prices (like changes in crude oil prices), geopolitical events (like the Russia-Ukraine, Israel-Hamas war, Israel-Iran 12 Day war; and other conflicts around the world), and global financial crises, can lead to significant economic instability (Al-Sawaie et al 2025; Ghanayem, Downing, and Sawalha 2023).

The impact of economic volatility in an economy includes (i) Business Cycle Fluctuations – a scenario of boom and bust cycles, affecting investment and consumption patterns (Mills 2000; Newell 2025); (ii) Investment Decisions – high volatility often results in delayed or reduced investment due to uncertainty about future returns (Bernanke, 1983); and (iii) Employment and Income – Volatile economies mostly experience higher unemployment rates and income instability, disproportionately affecting low-income households (Blanchard and Simon, 2001).

This paper intends to navigate economic volatility in Nigeria with the objective of adducing Strategies for Resilience and Growth in a presumably supposed Depressed Economy. The paper is divided into sections. Section 1 is the introduction. Section 2 discusses the fundamentals of the Nigerian economy. Section 3 takes a critical look at whether the Nigerian economy is depressed. Section 4 discusses the methodology the study adopted to identify the root causes of variables that cause economic volatility in Nigeria as well as coping strategies to effectively address them. In Section 5 the result of the analyses into causes and effects of Nigeria's volatility and strategies to navigate the Nigerian economy to growth is discussed. Section 6 concludes the paper.

Fundamentals of the Nigerian Economy

The basic fundamental macroeconomic variables are presented in this section. The variables measure the wellness of the macro-economy. In Table 1, data on the following variables: inflation, unemployment, exchange rate, growth rate, prime lending rate, food production, corruption index, misery index, and poverty rate are presented. The trend of the data indicates whether an economy is doing well or not.

Table 1: Stylized Fact on the Nigerian Economy

Year	Inflation Rate (%)	Unemployment Rate (%) ILO	Exchange Rate	Prime Lending Rate	Food Production (Agric GDP)	Growth Rate	Corruption Index	Misery Index	Poverty Rate
2010	11.8	3.78	150.3	17.59	13,048.89	8.0	24	15.58	
2011	10.28	3.77	153.86	16.02	13,429.38	5.3	24	14.05	
2012	11.98	3.74	157.5	16.79	14,329.71	4.2	27	15.72	
2013	7.96	3.7	157.31	16.72	14,750.52	6.6	23	11.66	
2014	7.98	4.56	186.1	16.55	15,380.39	6.3	27	14.18	
2015	9.55	4.31	196.99	16.85	15,952.22	2.6	26	18.55	
2016	18.55	7.06	295	16.87	16,607.34	-1.62	28	31.93	
2017	15.37	8.39	305.79	17.56	17,179.50	0.81	27	33.18	
2018	11.14	8.46	306.7	19.33	17,544.15	1.92	27	33.95	40.1
2019	11.98	8.53	306.9	15.53	17,958.58	2.20	26	39.06	40.1
2020	15.75	9.71	318	12.32	18,348.18	-1.79	25	45.6	42
2021	15.67	9.79	412.7	11.55	18,738.41	3.64	24	59.4	42
2022	21.34	12.0	448.55			3.1	24	62.79	42.6
2023	33	31.0				3			

Source: CBN 2024

Growth rate: Economic growth rate is the percentage change in the value of all of the goods and services produced in a country during a specific period of time, as compared to an earlier period. The economic growth rate is used to measure the comparative health of an economy over time. In Table 2.1, Nigeria's growth rate is indicated from 2010 to 2023. In the 22 years span, growth rate of Nigeria had been positive, except in 2016 where there was a deep fall in the country's earnings from its only export product, crude oil and 2020 which resulted from the generative worldwide anti-growth COVID 19. The indication is that Nigeria has experienced a general positive growth rate average over the years.

Figure 2.1 demonstrates the movement of growth rate between 2017 and 2022. The growth rate averaged 1.65% from 2017 to 2019 bore it dipped to -1.79 in 2020. It rallied up and averaged 2.92% from 2021 to 2022. On the average growth rate was positive at 1.5% for Nigeria between 2017 and 2022.

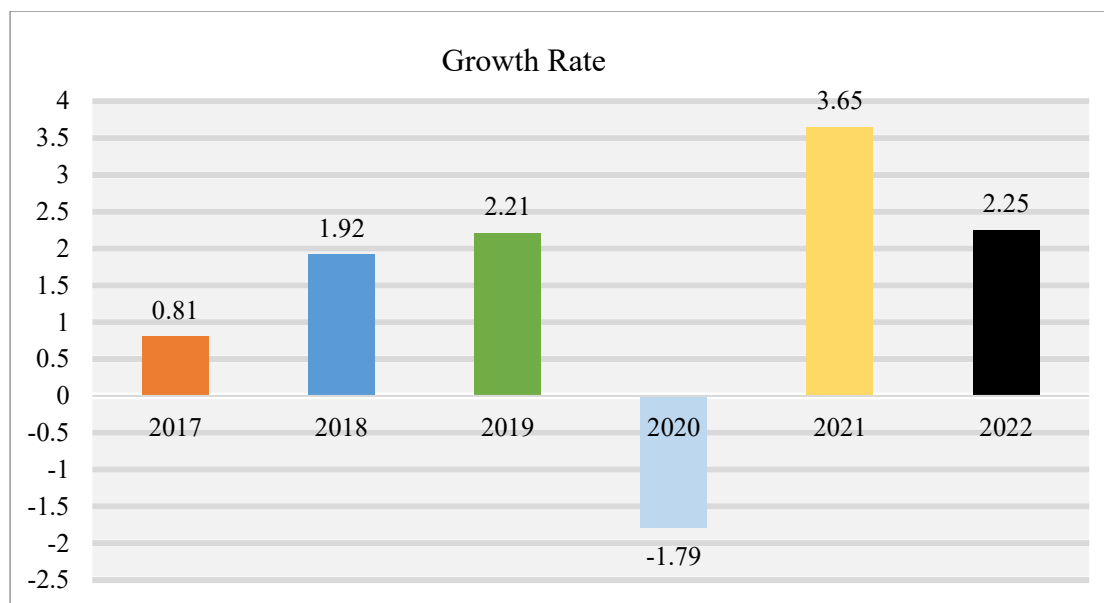


Fig. 1: Growth Rate

Inflation rate: Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. From Table 1, Nigeria's inflation rate witnessed a rising positive trend until it went down in 2013 and 2014 but started rallying up again in 2015 – 2016 until 2019 when it dipped. Inflation witnessed spiraling increase from 11.04% in 2019 to 23% in 2022. Interestingly, the trend did not flow with received theory which posits that rising prices will trigger economic boom and therefore growth, as growth was declining at the period inflation was trending up.

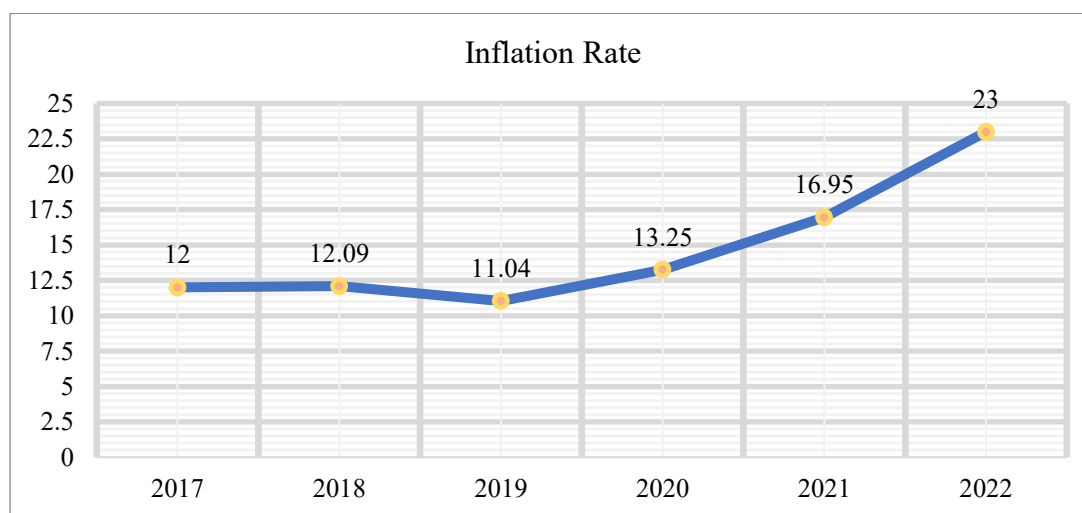


Fig. 2: Inflation Rate

Unemployment rate: The unemployment rate shows the number of unemployed people as a percentage of the labour force (the labor force is the sum of the employed and unemployed). The unemployment rate is calculated as: $(\text{Unemployed} \div \text{Labor Force}) \times 100$. The Nigeria's unemployment rate from Table 2.1 had experienced a consistent upward trend. It negated the

Phillip's curve trade-off between unemployment and inflation, as both were trending in the same direction over some years, depicting a condition of stagflation.

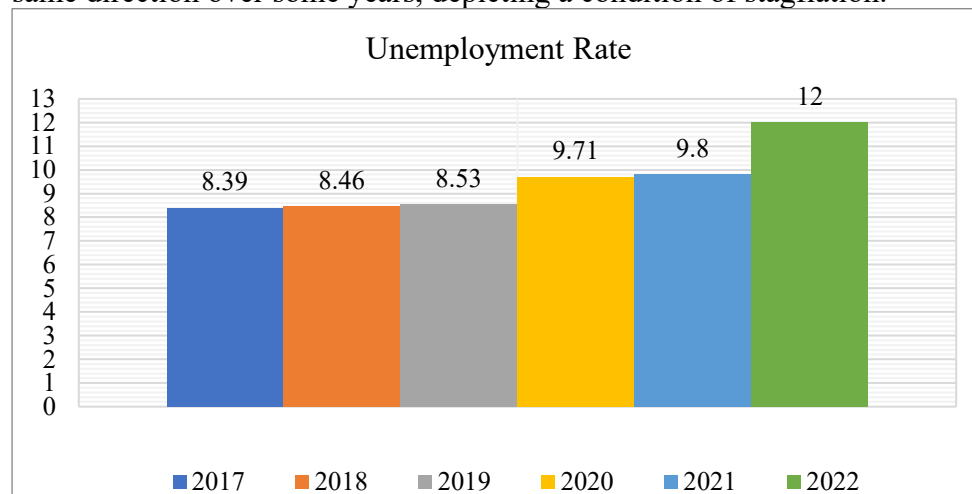


Fig. 3: Unemployment Rate

Poverty rate: The poverty rate is the ratio of the number of people (in a given age group) whose income falls below the poverty line; taken as half the median household income of the total population. From Table 2.1, poverty rate had been consistently growing incrementally on a positive trajectory from 40.1% in 2018 to 42.6% in 2022.

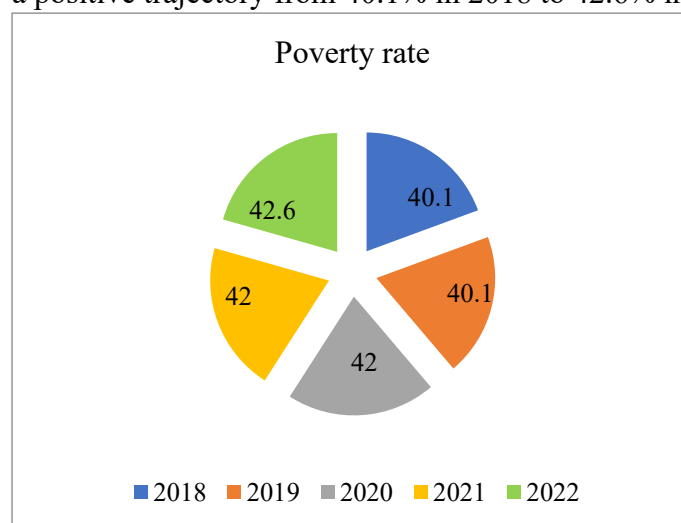


Fig. 4: Poverty rate

Misery index: The misery index measures the social and economic costs for individuals living in a particular country. It is simply defined by the combination of unemployment, inflation, and bank lending rate. Hanke (2022) gave the formula for calculating misery index thus: $\text{Misery Index} = \text{Unemployment} + \text{Inflation} + \text{Bank lending rate} - \text{GDP growth rate}$. The interpretation is that the higher the misery index, the more economic hardship the economy experiences. As shown in Table 2.1 and Figure 2.5 there was a rising misery index in Nigeria from 59.4% in 2021 to 62.79% in 2022.

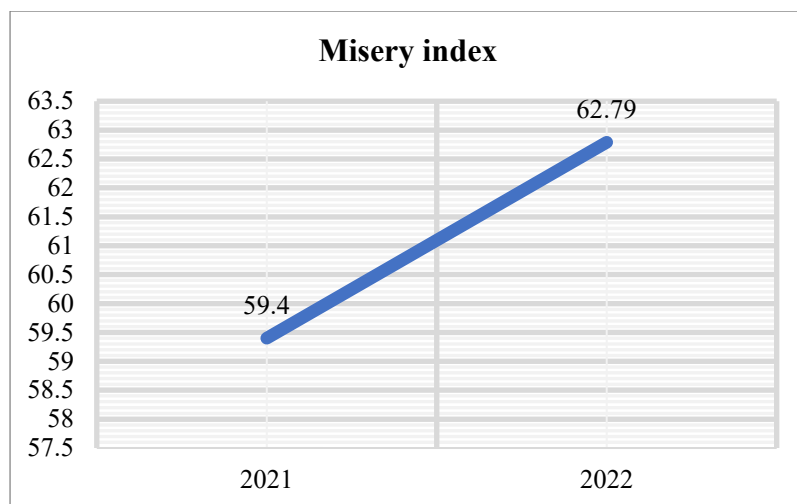


Fig. 5: Misery Index

Is the Nigerian Economy Depressed?

An economy is considered to be in a state of depression when it experiences a prolonged period of significantly reduced economic activity. In many cases it is characterized by:

(i) Sustained negative GDP growth; (ii) High unemployment rates; (iii) Low inflation rate; (iv) Decline in industrial production; and (v) Widespread financial crises. Interestingly, while recession is a normal life of a market economy depicted by business cycles, depression is a much more deep and serious problem. Unlike a recession, which is typically defined as two consecutive quarters of negative GDP growth, a depression lasts much longer and the GDP contraction is more severe.

The Great Depression of the 1930s is the most cited example of an economic depression. It began with the stock market crash in October 1929 and led to a severe worldwide economic downturn. During the depression, the US GDP fell by about 30%, unemployment rates soared to around 25% and deflation caused prices to drop by approximately 10% per year from 1930 to 1933 (Bernanke, 1983; Kounouwewa, & Chao, 2011; Kumar & Francisco 2005; Kumar Rajan & Zingales, 1999).

Economists had over time tried to allocate time to economics occurrences that could be typed recession or depression. While they define a sustained negative GDP for up to 2 quarters as recession, any negative GDP beyond 4 quarters is seen as depression. This conclusion had been contested by many economists. Notwithstanding the duration of sustained negative GDP, depression characteristics are sacrosanct. Nigeria's GDP is not in the negative trajectory and Nigeria cannot be said, in strict economics theoretical sense, to be in even recession or depression. Technically, Nigerian economy is not in recession and thus depression as its growth rate is positive.

However, some strong characteristics of recession and depression are indicated by the fundamentals of the economy, except that Nigeria has never experienced deflation or falling prices. However, Nigeria is currently witnessing steep declines in industrial production, divestment, and mass unemployment; even when the new methodology adopted by the NBS to calculate unemployment in Nigeria had reduced it to about 5%, thus indicating that the country is at natural rate of unemployment of full employment, Banking panics, and sharp increases in rates of poverty and homelessness, makes this paper to conclude that although Nigeria has experienced positive growth over time, the growth had not been inclusive (all encompassing).

Methodology

Growth diagnostics, a methodology developed by Hausmann, Rodrik and Velasco (2005) is used by this paper to determine the underlying reasons why some developing economies are not growing as fast as might be expected. The underlying assumption of the model is that different countries experience slow growth for different reasons. They compared this assumption to Anna Karenina principle, derived from the Russian Leo Tolstoy's book *Anna Karenina* published in 1878. The Anna Karenina principle states that a deficiency in any one of a number of factors dooms an endeavor to failure. Consequently, a successful endeavor (subject to this principle) is one where every possible deficiency has been avoided.

The growth diagnostic approach is based on the idea that there may be many reasons why an economy does not grow, but each reason generates a distinctive set of symptoms. These symptoms can become the basis of a differential diagnostic in which the analyst tries to distinguish among potential explanations for the observed growth rate of the economy. The growth diagnostics methodology departs from the "symptoms" of low growth that are visible in a country's economy—for example, low investment. Using a decision tree, all possible causes of these symptoms are inspected and if possible, eliminated. Next, the causes of these causes are scrutinized. This goes on until the most binding constraint to growth in a country is found. This is the constraint that economic policy in Nigeria will need to address to accelerate growth. The authors argue that applying the wrong cure for the wrong disease, i.e. implementing the wrong economic reform in the wrong circumstances can be both economically unproductive and politically dangerous.

Extant literature on causes of Nigeria's retrogressing development had identified several factors and variables. However, many of the variables identified were treated as independents or substitutes in the present economic mechanism for testing correlation. In practice, those treated independently and, in some cases, cumulatively are totally linked as complements in constraining growth and development. The growth diagnostic approach gives greater weight to the possibility that the determinants of growth are complements rather substitutes (Hausmann, Santos, Muci, Pye, Grisanti, and Lu, 2022). For instance, if something is the binding constraint, relaxing it may or may not have large direct benefits that may overwhelm the indirect effects on other aspects of the economy. Applying the second-best theorem, which says that in an economy with many distortions, eliminating one distortion is not necessarily welfare improving (Hausmann, Santos, Tudela, Li, & Grisanti, 2020; Hausmann, Santos, Muci, Pye, Grisanti, & Lu, 2022; Habermann and Padrutt, 2011). In principle, as argued by Hausmann, Rodrik, and Velasco (HRV), focusing on the constraint that has the biggest direct effect increases the chances that the overall effect would still be beneficial (Hausmann, Rodrik, and Velasco, 2005).

The thematic discussion in this section The matrix in Table 2 5.1 shows the paper's capturing of the constraints. As indicated by Hausmann, Rodrik, and Velasco (2005), many constraints may be identified, but this paper is interested in solving the binding constraints and it is always more beneficial to start the therapeutics by considering binding constraints that will reduce the problems most. The presentation therefore, attempts to show a quick diagnostic for Nigeria's Development scenario, with Inflation, Divestment, Weak Currency, Poverty, Insecurity, and Unemployment coming out strongly as the binding constraints to development in Nigeria.

Analyses of Causes and Effects of Nigeria's Volatility and Strategies to Navigate Nigerian Economy Growth.

This section lays out the study's findings from the diagnostics to identify the binding constraints on the Nigerian economy that had caused the nature of the economic conditions of the country: identifying and differentiating the root causes from the symptoms. It further analyses by introspecting into the strategies that government had implemented to upturn the negative effects of the constraints. The study identified that in many instances government strategies to solve the binding constraints were addressing the symptoms instead of the root causes and therefore unable to address the challenges. The diagnostics as presented in helped the paper to suggest strategies that targets the root causes of each of the macroeconomic problem instead of the symptoms which the government strategies targeted. The synopses of the Macroeconomic challenges and strategies to address them are shown below

Macroeconomic Challenges and Strategies to address them: Inflation

Root causes

- i) Food prices increase as a result of high production cost occasioned by insecurity in the food producing belts of the country.
- (ii) Withdrawal of oil subsidy and subsequent increase in the price of petrol (PMS).
- (iii) Divestment which has led to the reduction of supply of goods and services into the market, thus allowing demand to be higher than supply.

Symptoms

- (i) Rising prices.
- (ii) Closure of businesses and divestment.
- (iii) (a) Shortage in supply of goods and services to the market; (b) increase in smuggling of goods like petroleum products and food items to neighbouring countries due to the falling value of our currency vis-a-vis the currencies of our neighbouring countries
- (c) Reduction in bank deposits and difficulty in banks being able to pay customers seeking withdrawals

Government strategies to address the challenge

- i) Import food and share to citizens as palliative to reduce hunger
- ii). Transfer monies to perceived poor people to buy food.
- iii). Import more PMS and subsidize landing cost to address domestic PMS price volatility that may result from international market price volatility of the product; (b) Change energy source of vehicles from petrol to gas
- iv). Campaigning for new investors to come and replace the investors that are divesting without fixing the problems that encouraged the former investors to divest; (a) Stop some goods like petroleum oil products and grains from being taken to the border communities of the country
- v). Introduction of severe contractionary monetary policies to reduce money supply by increasing MPR and urging commercial banks to drastically reduce customers withdrawal level from the banks as well as taxing deposit.

Results

- (i) (a) As food received finished, hunger becomes more biting while food prices in domestic market keep soaring.
- ii). Economy is reflat without increasing production in order to increase supply of goods as demand has been increased with the transfer payments

- iii). Sustained high price and scarcity of PMS; (a) Major Marketers unwillingness to secure forex to import PMS due to Nigeria's forex market uncertainty, with NNPC remaining the sole importer of PMS to the country; (b) No accessible gas stations and no PMS to gas conversion technology in the country one year after announcement.
- iv). No new green investors after one year of campaign; (a) Increased and sustained hunger and restiveness in the border communities
- v). Fall in banking habits as people, especially traders, decide to store their monies at home, for its stored value, to avert the same money withdrawal experience of 2023 when the CBN embarked on currency change; (a) increase in money stock outside the banking system; (b) Crowding out of investors and manufacturers from the borrowing.

Paper's suggested strategy

- i). Government should declare a Marshal Plan for commercial agriculture, targeting the Southern States of the country that is relatively secure and growing food to feed the nation. State Governments should address the land tenure system and acquire land and partner with the private sector to develop commercial agriculture to increase food production and knock down food price inflation
- ii). Free transfer of monies to the poor for consumption should be stopped; rather such people should be sent as labour hands to farm lands established by government. They could then earn such payment until the farm makes profit to start paying them
- iii). Instead of importing PMS, Government should immediately sum up all political will to restart our local refineries. This will seriously reduce the pump price of the commodity and pressure on forex; (a) Government should ramp up crude oil production by opening marginal fields as well honestly dialoguing with Ogoni land to heal the land and cause its abundant oil resources to be tapped; (b) Safe and sustainable power conversion technology in vehicles should be radically pursued and domesticated in the nearest possible time in addition to gas stations. State and Local Governments should be drafted to buy into the programme by the Federal Government
- iv). Special lending rate should be advanced to manufacturers; (a) Restriction on repatriation of profit should be removed; (b) Tax on deposits should be removed; (c) High cost of production occasioned by high cost of power, insecurity and inadequacy of qualified technical manpower should be comprehensively addressed; (d) Provide infrastructure and social sense of belonging to our border communities by attending to their complaints and needs; (e) National Orientation Agency offices should be strategically located in our boundary communities to continually preach the gospel of patriotism to the people. Interestingly it is easier to convince the poor rural people at the borders who are facing conflicts with their bordering neighbour to be patriotic than the comfortable urban dwellers who are the ones leading and organizing the smuggling activities

Macroeconomic Challenges and Strategies to Address Them: Weak Currency

Root cause:

- (i) High demand for imports; (ii) Hoarding of foreign currency due to loss of confidence on the domestic currency/ Currency speculation; (iii) Round tripping by monetary officials; (v) Poor education infrastructures which makes citizens to demand education abroad for their children, especially public officers

Symptoms

(a) Weak value of the naira against international market currencies (b) Poor funded public educational institutions; (c) Low incentives and innovations; (d) Poor infrastructure and lack of facilities for good education.

Government strategies to address the challenge

(i) (a) Unban goods that was hitherto banned and refused forex at the official I&E forex window; (b) Continue importing PMS, while keeping our revived local refineries waiting; (c) Allow foreign trips and missions for government agencies; (v) Pursuit of policies to divest from public; investment in education.

Results

(i) (a) Further weakening of the value of the naira; (b) Increase in demand for products that could be produced or sourced locally, thus seriously pressuring naira's value vis-à-vis other trade currencies; (c) Total decay in public education and uncoordinated private sector driven education enterprises

Papers suggested strategy

(a) Reduce demand for import by intentionally encouraging the provision of local alternatives; (b) Probe the CBN, Commercial banks and registered BDCs to know who bought forex from them, at least, in the past 5 years and purposes for such purchases.; (c) Employ moral suasion, with incentives, to appeal to Nigerians who are hoarding forex to bring them out to help the country; (d) Ban or restrict strongly the use of forex in Nigeria; (e) Regulate the activities of crypto currency firms so that .; (i) Public officers engaging in round tripping should face the lawful consequences; (ii) Invest in infrastructure development and maintenance in Nigeria's public schools. E.g., direct NDDC and other such agencies to divert the money they use in sending students to go abroad for courses that are well offered in our Universities ; and develop infrastructures in our Universities , and depict our Universities as Centers of Excellence to teach the students.

Macroeconomic Challenges and Strategies to address them: Divestment

Root causes

(i) High cost of production – caused by cost of power, and insecurity; (ii) Low demand for firms' products; (iii) Inability to repatriate profit; (iv) Multiple taxation

Symptoms

(i) Firms divesting from Nigeria to other cost-effective countries; (ii) Low returns on investment for firms; (iii) Downsizing of business capacity by foreign firms in Nigeria

Government strategies

(a) Increase in electricity tariff (b) No decisive action on insecurity as number of kidnappings, banditry, killings, etc., soars; (c) Install-mental settlements of forex obligations owed to foreign firms.; (d) Harmonization of taxes

Results

(i) Fall in manufacturing output; (a) Job cuts by firms; (b) Reduction in GDP; (c) Continued persistence of multiple taxes at the State and Local Government levels

Paper's suggested strategies

(a) Government should subsidize power for manufacturers - build industrial clusters and power infrastructure at the clusters. This will encourage forward and backward linkages among firms as well as promoting economies of scale. It will also be easier to provide security at the clusters; (b) Government should increase expenditure to stimulate the economy in order to increase aggregate demand; (c) Foreign investors should have the convenience of repatriating their profits after paying their appropriate taxes; and (d) Multiple taxation should be reviewed at the three tiers of government simultaneously.

Macroeconomic Challenges and Strategies to address them: Poverty

Root causes

(i) Inequality, (ii) Divestment

Symptoms

(a) Criminality, (b) Normlessness, (c) unemployment, (d) Underemployment

Government strategies to address the challenges

(i) Palliatives – food, vulnerable monetary transfers, (ii) Provision of funds for entrepreneurs and MSMEs

Results

(i) Reflating the economy and increasing aggregate demand without a corresponding increase in aggregate supply, which further increases price and makes government intervention very short term and unsustainable, (ii) Corruption and kleptomania among public officers trap these funds from expected sources

Paper's suggested strategy

(a) Get funds to recognized and practicing manufacturers and commercial farmers to invest. The multiplier of their investments will resonate through the economy with positive impact on poverty reduction as their investments will create employment and increase manufacturing and food output into the economy, (b) Public officers and Civil servants should undergo psychological assessment to assess their kleptomaniac tendencies; (c) Corruption and stealing of public property should be appropriately punished

Macroeconomic Challenges and Strategies to address them: Insecurity

Root causes

(i) Struggle for resources; (ii) Unemployment

Symptoms

(i) Kidnapping; (ii) Terrorism; (iii) Cattle rustling; (iv) Banditry; (v) Drug abuse; (vi) Armed robbery; (vii) Armed conflict; (viii) Inter-Communal conflict; (ix) Large army of unemployed

youths hanging around in communities and cities in Nigeria; (x) Large number of out-of-school children; (xii) Increase in the number of Almajaris in the northern part of the country

Government's strategies to address the challenge

(i) Use of armed forces and police to combat insecurity using kinetic methods; (ii) Still keeping laws that makes marginal benefit of crime higher than marginal cost of crime; (iii) Continuous adoption of failed corrupt models to protect theft of resources – still using corrupt security personnel and public officials to watch over State resources without introduction of measures to change their kleptomaniac orientation; (iv) Introduction of a new methodology by NBS in calculating inflation in Nigeria which is currently putting our inflation at about 5% - meaning that we are at natural rate of unemployment or that we are fully employed

Results

(i) Increased level of insecurity in resource bases of the country; (ii) Government is unable to explain the army of unemployed people in the country, many whom have been confirmed to be easily recruited into criminality like banditry and kidnapping for pittance; (iii) Many of the unemployed youths are said to be employed by insurgents and armed militants to engage in crime

Papers suggested Strategy

(i) Government should introduce a complete reorientation and overhaul for our security sector; (ii) Laws should be made to deter tendencies to commit crime; that is, laws that makes the marginal cost of crime to be higher than the marginal benefit from crime; (iii) Local governments should be rescued from the shackle hold of State Governments and thereafter community policing instituted at the watch of the Local Governments with supervision of the Commissioner of Police in the States who reports to the Inspector General of Police; (iv) NBS should display patriotism and return Nigeria to a realistic model for calculating unemployment to help government planning process

From the thematic presentation of each macroeconomic problem with focus on root causes, symptoms, government strategies to address each of the problems, the results, and the recommended strategies suggested by this paper, the indication is that current Nigerian government had concentrated more in bringing policies that target symptoms of the macroeconomic problems instead of addressing the root causes of them. This paper has therefore suggested options that will help in addressing the root causes of these macroeconomic problems in Nigeria.

Conclusion

Understanding and managing economic volatility is crucial for ensuring economic growth and stability. Policymakers and economists must continually adapt strategies to mitigate the adverse effects of economic fluctuations and enhance economic resilience. This paper has taken time to analyze the historical path of Nigeria's economic indicators. The fundamentals of the ailing status of the Nigerian economy include increasing inflation and increasing unemployment which imply stagflation; a growth rate averaging at less than 3% in the last 10 years; an increasing lending rate and misery index; and increasing poverty. However, in technical economic terms, the economy is confirmed not to be in recession or depression

because of the positive growth rate. The paper notes that the strong conclusion of Nigerians that the economy is in depression may be explained by the fact that the positive growth over the years was not inclusive to trigger improvement in the performance of the various macroeconomic variables.

The suggestions of this paper to address the macroeconomic problems of Nigeria are derived from the analyses of the root causes of the identified macroeconomic problems instead of the symptoms. If the suggestions are implemented, Nigeria's economic problems would have been largely addressed in order to navigate the economy to growth.

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